DRAFT RED HERRING PROSPECTUS
Dated June 30, 2022
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
Book Built Offer

CONCORD ENVIRO SYSTEMS LIMITED

CORPORATE IDENTITY NUMBER: U45209MH1999PLC120599

REGISTERED AND CORPORATE OFFICE	CONTACT PERSON	
101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India	Priyanka Pramod Nayak, Company Secretary and Compliance Officer	
EMAIL	**TELEPHONE**	**WEBSITE**
cs@concordenviro.in	+91 (22) 6704 9000	www.concordenviro.in

OUR PROMOTERS: PRAYAS GOEL AND PRERAK GOEL

DETAILS OF THE OFFER TO THE PUBLIC

TYPE	FRESH ISSUE	OFFER FOR SALE	TOTAL OFFER SIZE	ELIGIBILITY AND SHARE RESERVATION AMONG QIBs, NIIs AND RIIs
Fresh Issue and Offer for Sale	Up to [●] Equity Shares aggregating up to ₹ 1,750 million	Up to 3,569,180 Equity Shares aggregating up to ₹ [●] million	Up to ₹ [●] million	The Offer is being made pursuant to Regulation 6(2) of the SEBI ICDR Regulations as our Company did not fulfil the requirement of Regulation 6(1) of the SEBI ICDR Regulations For details in relation to share reservation among QIBs, NIIs and RIIs, see "*Offer Structure*" on page 382.

DETAILS OF OFFER FOR SALE BY THE SELLING SHAREHOLDERS

NAME OF SELLING SHAREHOLDER	TYPE	NUMBER OF EQUITY SHARES OFFERED	WEIGHTED AVERAGE COST OF ACQUISITION PER EQUITY SHARE[(1)] (IN ₹)
AF Holdings	Investor	Up to 3,114,660 Equity Shares*	2,722.81[##]
Prayas Goel	Promoter	Up to 150,600 Equity Shares	2.66[#]
Prerak Goel	Promoter	Up to 150,500 Equity Shares	4.23[#]
Namrata Goel	Promoter Group	Up to 29,500 Equity Shares	5.34[#]
Nidhi Goel	Promoter Group	Up to 31,500 Equity Shares	5.00[#]
Pushpa Goel	Promoter Group	Up to 92,420 Equity Shares	5.00[#]

[1] As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, pursuant to their certificate dated June 30, 2022.
**Assuming conversion of CCPS (as defined hereinafter).*
[#] Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance (as defined hereinafter) in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.
[##] Calculated based on acquisition of 235,020 Equity Shares held by AF Holdings as on date, and does not include Equity Shares which will be acquired pursuant to the proposed Bonus Issuance (as defined hereinafter) and conversion of CCPS (as defined hereinafter).

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 5 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 102), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

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

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders, severally and not jointly, accept responsibility for, and confirm, that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to them and the Equity Shares offered by them under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders do not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company in this Draft Red Herring Prospectus.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

BOOK RUNNING LEAD MANAGERS

NAME OF BOOK RUNNING LEAD MANAGER AND LOGO	CONTACT PERSON	TELEPHONE AND EMAIL
DAM Capital Advisors Limited *(Formerly IDFC Securities Limited)*	Gunjan Jain/ Nidhi Gupta	**Tel:** +91 (22) 4202 2500 **E-mail:** concordenviro.ipo@damcapital.in
Equirus Capital Private Limited	Vaibhav Shah	**Tel:** +91 (22) 4332 0735 **E-mail:** concordenviro.ipo@equirus.com

REGISTRAR TO THE OFFER

NAME OF REGISTRAR	CONTACT PERSON	TELEPHONE AND EMAIL
Link Intime India Private Limited	Shanti Gopalkrishnan	**Tel**: +91 (22) 4918 6200 **E-mail**: concord.ipo@linkintime.co.in

BID/OFFER PROGRAMME

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

* *Our Company and the Selling Shareholders in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. TheAnchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*

** *Our Company and the Selling Shareholders in consultation with the BRLMs may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer ClosingDate in accordance with the SEBI ICDR Regulations.*

DRAFT RED HERRING PROSPECTUS
Dated June 30, 2022
(The Draft Red Herring Prospectus will be updated upon filing with the RoC)
Please read section 32 of the Companies Act, 2013
Book Built Offer

CONCORD ENVIRO SYSTEMS LIMITED

Our Company was originally incorporated as "Concord Enviro Systems Private Limited" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated July 1, 1999, issued by the the Registrar of Companies, Maharashtra, at Mumbai ("**RoC**") . The name of our Company was subsequently changed to "Concord Enviro Systems Limited", upon conversion into a public company, pursuant to a board resolution dated May 23, 2022 and a shareholders' resolution dated May 25, 2022, and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on June 9, 2022. For details in relation to change in the address of the registered office of our Company, see "*History and Certain Corporate Matters*" on page 181.

Registered and Corporate Office: 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India; **Tel**: +91 (22) 6704 9000**;**
Contact Person: Priyanka Pramod Nayak Company Secretary and Compliance Officer**; Tel**: +91 (22) 6704 9000
E-mail: cs@concordenviro.in; **Website**: www.concordenviro.in; **Corporate Identity Number**: U45209MH1999PLC120599

OUR PROMOTERS: PRAYAS GOEL AND PRERAK GOEL

INITIAL PUBLIC OFFERING OF UP TO |●| EQUITY SHARES OF FACE VALUE OF ₹ 5 EACH ("EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ |●| PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ |●| PER EQUITY SHARE) ("OFFER PRICE") AGGREGATING UP TO ₹ |●| MILLION (THE "OFFER") COMPRISING A FRESH ISSUE OF UP TO |●| EQUITY SHARES AGGREGATING UP TO ₹ 1,750 MILLION BY OUR COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 3,569,180 EQUITY SHARES ("THE OFFERED SHARES") COMPRISING OF UP TO 3,114,660* EQUITY SHARES BY AF HOLDINGS, UP TO 150,600 EQUITY SHARES BY PRAYAS GOEL, UP TO 150,500 EQUITY SHARES BY PRERAK GOEL, UP TO 29,500 EQUITY SHARES BY NAMRATA GOEL, UP TO 31,500 EQUITY SHARES BY NIDHI GOEL AND UP TO 92,420 EQUITY SHARES BY PUSHPA GOEL AGGREGATING UP TO ₹ |●| MILLION (THE "SELLING SHAREHOLDERS" AND SUCH OFFER, THE "OFFER FOR SALE"). THE OFFER WILL CONSTITUTE |●|% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

OUR COMPANY, IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND BOOK RUNNING LEAD MANAGERS MAY CONSIDER A FURTHER ISSUE OF SPECIFIED SECURITIES, INCLUDING CONVERTIBLE SECURITIES WHICH WILL BE CONVERTIBLE INTO EQUITY SHARES ("SPECIFIED SECURITIES"), THROUGH A RIGHTS ISSUE TO EXISTING SHAREHOLDERS, PRIVATE PLACEMENT, PREFERENTIAL OFFER OR ANY OTHER METHOD AS MAY BE PERMITTED UNDER APPLICABLE LAW TO ANY PERSON(S), AGGREGATING UP TO ₹ 350 MILLION, AT ITS DISCRETION, PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC ("PRE-IPO PLACEMENT"). IF THE PRE-IPO PLACEMENT IS COMPLETED, THE FRESH ISSUE SIZE WILL BE REDUCED TO THE EXTENT OF SUCH PRE-IPO PLACEMENT, SUBJECT TO THE OFFER COMPLYING WITH RULE 19(2)(B) OF THE SECURITIES CONTRACTS (REGULATION) RULES, 1957, AS AMENDED ("SCRR"). IN THE EVENT CONVERTIBLE SECURITIES ARE ISSUED IN THE PRE-IPO PLACEMENT, SUCH SECURITIES SHALL BE CONVERTED INTO EQUITY SHARES PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. UPON ALLOTMENT OF SPECIFIED SECURITIES ISSUED PURSUANT TO THE PRE-IPO PLACEMENT AND AFTER COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED UNDER COMPANIES ACT, OUR COMPANY SHALL UTILISE THE PROCEEDS FROM SUCH PRE-IPO PLACEMENT TOWARDS ONE OR MORE OF THE OBJECTS OF THE OFFER.

THE FACE VALUE OF THE EQUITY SHARE IS ₹ 5 EACH AND THE OFFER PRICE IS |●| TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND, AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BRLMs AND WILL BE ADVERTISED IN |●| EDITIONS OF [•], AN ENGLISH NATIONAL DAILY NEWSPAPER, |●| EDITIONS OF [•] A HINDI NATIONAL DAILY NEWSPAPER AND |●| EDITIONS OF |●| A MARATHI NEWSPAPER (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS").

**Calculated based on acquisition of 235,020 Equity Shares held by AF Holdings as on date, and does not include Equity Shares which will be acquired pursuant to the proposed Bonus Issuance (as defined hereinafter) and conversion of CCPS (as defined hereinafter).*

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid / Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Member(s) and by intimation to the Designated Intermediaries and the Sponsor Bank(s), as applicable.

This Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Selling Shareholder in consultation with the BRLMs may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis ("**Anchor Investor Portion**"). One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from the domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors ("**Anchor Investor Allocation Price**"), in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion (excluding the Anchor Investor Portion) ("**Net QIB Portion**"). Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. If at least 75% of the Offer cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation to non-institutional investors ("**Non-Institutional Investors**" or "**NIIs**") (the "**Non-Institutional Portion**") of which one-third of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be reserved for applicants with an application size of more than ₹1.00 million and under-subscription ineither of these two sub-categories of Non-Institutional Portion may be allocated to applicants in the other sub-category of Non-Institutional Portion in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to retail individual investors ("**Retail Individual Investors**" or "**RIIs**") in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. All Bidders, other than Anchor Investors, are required to participate in the Offer by mandatorily utilising the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA Account (as defined hereinafter), and UPI ID in case of UPI Bidders, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA process. For details, see "*Offer Procedure*" on page 385.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹ 5 each. The Floor Price, the Offer Price or the Price Band (determined by our Company and the Selling Shareholders in consultation with the BRLMs and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process, as stated under "*Basis for Offer Price*" on page 102), should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company, or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the riskfactors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 26.

OUR COMPANY'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders, severally and not jointly, accept responsibility for, and confirm, that the statements made or confirmed by them in this Draft Red Herring Prospectus to the extent that the statements and information specifically pertain to them and the Equity Shares offered by them under the Offer for Sale, are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders do not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company in this Draft Red Herring Prospectus.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received 'in-principle' approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated **|●|** and **|●|**, respectively. For the purposes of the Offer, the Designated Stock Exchange shall be **|●|**. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For further details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date, see "*Material Contracts and Documents for Inspection*" on page 469**.**

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
DAM Capital Advisors Limited ***(Formerly IDFC Securities Limited)*** One BKC, Tower C, 15th Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Maharashtra, India **Tel:** +91 (22) 4202 2500 **E-mail:** concordenviro.ipo@damcapital.in **Website:** www.damcapital.in **Investor grievance e-mail:** complaint@damcapital.in **Contact person:** Gunjan Jain/ Nidhi Gupta **SEBI Registration No:** MB/INM000011336	**Equirus Capital Private Limited** 12th Floor, C Wing Marathon Futurex N.M. Joshi Marg, Lower Parel Mumbai-400 013 Maharashtra, India **Tel:** +91 (22) 4332 0735 **E-mail: concordenviro.ipo@equirus.com** **Website:** www.equirus.com **Investor grievance e-mail:** investorsgrievance@equirus.com **Contact person: Vaibhav Shah** **SEBI Registration No:** INM000011286	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India **Telephone:** +91 (22) 4918 6200 **E-mail**: concord.ipo@linkintime.co.in **Investor grievance E-mail:** concord.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Shanti Gopalkrishnan **SEBI Registration No.:** INR000004058

BID/OFFER PROGRAMME	
BID/OFFER OPENS ON	**|●|***
BID/OFFER CLOSES ON	**|●|****

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

***Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise implies or requires, or unless otherwise specified, shall have the meaning as assigned below. References to statutes, rules, regulations, guidelines and policies will, unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Red Herring Prospectus, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

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

Notwithstanding the foregoing, terms in "Industry Overview", Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Information", "Basis for the Offer Price", "Outstanding Litigation and Other Material Developments", "Restriction on Foreign Ownership of Indian Securities" and "Description of Equity Shares and Terms of Articles of Association", on pages 118, 175, 105, 215, 102, 354, 402 *and* 403, *respectively, will have the meaning ascribed to such terms in those respective sections.*

Company and Selling Shareholders related terms

Term	Description
"our Company", "the Company" or "the Issuer"	Concord Enviro Systems Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India
"we", "us", "our" or "Group"	Unless the context otherwise indicates or implies, refers to our Company, our Subsidiaries and Joint Ventures
"Articles" or "Articles of Association" or "AoA"	The articles of association of our Company, as amended
"Audit Committee"	The audit committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 198
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time
"Bonus Issuance"	Subject to receipt of requisite corporate and regulatory approvals and approval of shareholders in a general meeting in accordance with the applicable law, our Company proposes to undertake a bonus issue of Equity Shares in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, which shall be undertaken no later than filing of the Red Herring Prospectus with the RoC. The total Equity Shares issued pursuant to the bonus issue shall not exceed 14,469,040 Equity Shares. The Bonus Issuance will be undertaken prior to conversion of the 7,999 CCPS held by AF Holdings.
"BWT"	Our material subsidiary, being Blue Water Trading & Treatment (FZE), UAE
"CEF"	Our material subsidiary, being Concord Enviro FZE
"Chairman and Managing Director"	The Chairman and Managing Director of our Board, being Prayas Goel
"CCPS"	Compulsorily Convertible Non-Cumulative Preference Shares of face value of ₹ 1,000 each
"Chief Financial Officer" or "CFO"	The chief financial officer of our Company, being Sudarshan Kamath
"Company Secretary and Compliance Officer"	Company secretary and compliance officer of our Company, being Priyanka Pramod Nayak
DCIF	Danish Climate Investment Fund
"Director(s)"	Director(s) on the Board of our Company, as appointed from time to time
"ESOP 2022 Scheme"	ESOP 2022 Scheme being the Concord Enviro Employee Stock Option Plan 2022
"Equity Shares"	Equity shares of our Company of face value of ₹ 5 each
"Executive Directors"	Executive director(s) of our Company. For further details of the Executive Directors, see "*Our Management*" on page 193
"Group Companies"	Our group companies as disclosed in the section "*Group Companies*" on page 211

Term	Description
"Independent Director"	A non-executive, independent Director appointed as per the Companies Act, 2013 and the Listing Regulations. For further details of our Independent Directors, see "*Our Management*" on page 193
"Joint Ventures"	The joint ventures of our Company being, WHE Systems FZC, Roserve Enviro FZE and Roserve Enviro Private Limited
"KMP" or "Key Managerial Personnel"	Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, as disclosed in "*Our Management*" on page 204
"Material Subsidiaries"	The material subsidiaries of our Company being Rochem Separation Systems (India) Private Limited, Concord Enviro FZE and Blue Water Trading & Treatment (FZE), UAE.
"Materiality Policy"	The materiality policy of our Company adopted pursuant to a resolution of our Board dated June 15, 2022 for identification of the (a) material outstanding litigation proceedings; (b) group companies; and (c) material creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus
"Memorandum" or "Memorandum of Association" or "MoA"	The memorandum of association of our Company, as amended
"Nomination and Remuneration Committee"	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, and as described in "*Our Management*" on page 201
"Non – executive Director(s)"	A Director, not being an Executive Director
Project Management Consultant	The project management consultant being, Parikh and Kulkarni Consulting Engineers Private Limited
"Promoters"	Promoters of our Company namely, Prayas Goel and Prerak Goel. For further details, see "*Our Promoters and Promoter Group*" on page 208.
"Promoter Group"	Such individuals and entities which constitute the promoter group of our Company pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further details, see "*Our Promoters and Promoter Group*" on page 209
"Promoter Selling Shareholders"	The Promoter Selling Shareholders namely, Prayas Goel and Prerak Goel
"Selling Shareholders"	The Selling Shareholders namely, Prayas Goel, Prerak Goel, Pushpa Goel, Nidhi Goel, Namrata Goel and AF Holdings.
"Registered and Corporate Office"	The registered and corporate office of our Company situated at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India.
"Registrar of Companies" or "RoC"	Registrar of Companies, Maharashtra at Mumbai
"Restated Consolidated Financial Information"	The Restated Consolidated Financial Information of our Company and our Subsidiaries along with our Joint Ventures, comprising the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, 2020 and 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Cash Flows, the Restated Consolidated Statements of Changes in Equity for the nine month period ended December 31, 2021 and for the years ended March 31, 2021, 2020 and 2019, the Significant Accounting Policies, and other explanatory information, prepared in terms of the Section 26 of Part I of Chapter III of the Companies Act, 2013, SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India, as amended
"Risk Management Committee"	The risk management committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 203
"RSSPL"	Our material subsidiary, being Rochem Separation Systems (India) Private Limited
"Shareholders' Agreement" or "SHA"	Amended and Restated Shareholders' Agreement dated August 7, 2015 entered into by the Company and Prerak Goel and Prayas Goel and AF Holdings read with the amendment agreements dated October 3, 2015, October 26, 2017 and April 20, 2021.
"SHA Amendment Agreement"	Amendment agreement to the Shareholders' Agreement dated June 23, 2022 entered into by the Company and Prerak Goel, Prayas Goel and AF Holdings
"Shareholder(s)"	The holders of the Equity Shares from time to time
"SPA"	Share Purchase Agreement dated August 7, 2015 entered into by our Company, Prerak Goel, Prayas Goel and AF Holdings

Term	Description
"Stakeholders' Relationship Committee"	The stakeholders' relationship committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations, as described in "*Our Management*" on page 202
"Subsidiaries"	The subsidiaries of our Company being Rochem Separation Systems (India) Private Limited, Rochem Services Private Limited, Reva Enviro Systems Private Limited, Concord Enviro FZE, Blue Water Trading and Treatment FZE and Concord Enviro SA De. C.V. Mexico.
"Statutory Auditor"	The statutory auditor of our Company being M/s. Deloitte Haskins & Sells LLP

Offer Related Terms

Term	Description
"Abridged Prospectus"	Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf
"Acknowledgement Slip"	The slip or document issued by relevant Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form
"Allotment", "Allot" or "Allotted"	Unless the context otherwise requires, allotment of the Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
"Allotment Advice"	A note or advice or intimation of Allotment, sent to all the Bidders who has bid in the Offer after approval of the Basis of Allotment by the Designated Stock Exchange
"Allottee"	A successful Bidder to whom the Equity Shares are Allotted
"Anchor Investor"	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
"Anchor Investor Allocation Price"	The price at which Equity Shares will be allocated to Anchor Investors on the Anchor Investor Bidding Date in terms of the Red Herring Prospectus and the Prospectus which will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
"Anchor Investor Application Form"	Form used by an Anchor Investor to Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Anchor Investor Bidding Date"	The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed
"Anchor Investor Offer Price"	The final price at which the Equity Shares will be issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs
"Anchor Investor Pay – in Date"	With respect to Anchor Investor(s), the Anchor Investor Bidding Date, and, in the event the Anchor Investor Allocation Price is lower than the Offer Price a date being, not later than two Working Days after the Bid/Offer Closing Date
"Anchor Investor Portion"	Up to 60% of the QIB Portion, which may be allocated by our Company and the Selling Shareholders, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations
"Applications Supported by Blocked Amount" or "ASBA"	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorising an SCSB to block the Bid Amount in ASBA Account and will include applications made by UPI Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by UPI Bidders using the UPI Mechanism
"ASBA Account"	A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by an RIB linked to a UPI ID, which will be blocked in relation to a Bid by a UPI Bidder Bidding through the UPI Mechanism
"ASBA Bidders"	All Bidders except Anchor Investors
"ASBA Form"	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
"Banker(s) to the Offer"	Collectively, the Escrow Collection Bank(s), Refund Bank(s), Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be

Term	Description
"Basis of Allotment"	The basis on which the Equity Shares will be Allotted to successful Bidders under the Offer, as described in "*Offer Procedure*" on page 385
"Bid"	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor, pursuant to the submission of an Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
"Bidder"	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor
"Bid Amount"	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable
"Bidding Centres"	Centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
"Bid cum Application Form"	Anchor Investor Application Form or the ASBA Form, as the context requires
"Bid Lot"	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
"Bid/Offer Closing Date"	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in [●] editions [●] of an English daily national newspaper, [●] editions of [•] a Hindi national daily newspaper [●] and [•] edition of a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation In case of any revisions, the extended Bid/ Offer Closing Date will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Banks, as required under the SEBI ICDR Regulations. Our Company and the Selling Shareholders, in consultation with the BRLMs, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations
"Bid/Offer Opening Date"	Except in relation to Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, being [●], which shall also be published in [●] editions of English national daily newspaper [●], [●] editions of Hindi national daily newspaper [●] and Mumbai edition of Marathi newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located)
"Bid/Offer Period"	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereto in accordance with the SEBI ICDR Regulations. Provided that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors. Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. The Bid/Offer Period will comprise of Working Days only
"Book Building Process"	The book building process as described in Part A, Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made
"Book Running Lead Managers" or "BRLMs"	The book running lead managers to the Offer, namely DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*) and Equirus Capital Private Limited.

Term	Description
"Broker Centre"	Broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms, provided that UPI Bidders may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges. The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), and updated from time to time
"CAN" or "Confirmation of Allocation Note"	The note or advice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated Equity Shares on / after the Anchor Investor Bidding Date
"Cap Price"	The higher end of the Price Band, i.e. ₹ [●] per Equity Share, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price.
"Cash Escrow and Sponsor Bank Agreement"	The agreement to be entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Member, the Banker(s) to the Offer, *inter alia*, for the appointment of the Sponsor Bank(s) in accordance with the UPI Circular, for the collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof
"Circular on Streamlining of Public Issues"/ "UPI Circular"	Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/50) dated April 3, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019, circular no. (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020, circular no. (SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M) dated March 16, 2021, circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 and SEBI/ HO/CFD/DIL2/CIR/2022/75 dated May 30, 2022 and any subsequent circulars or notifications issued by SEBI in this regard
"Client ID"	Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account
"Collecting Depository Participant" or "CDP"	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of BSE and NSE, as updated from time to time
"Cut-off Price"	The Offer Price, as finalised by our Company and the Selling Shareholders, in consultation with the BRLMs which shall be any price within the Price Band. Only Retail Individual Bidders Bidding in the Retail Portion are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
"Demographic Details"	Details of the Bidders including the Bidder's address, name of the Bidder's father/ husband, investor status, occupation, PAN, DP ID, Client ID and bank account details and UPI ID, where applicable
"Designated SCSB Branches"	Such branches of the SCSBs which shall collect ASBA Forms, a list of which is available on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
"Designated CDP Locations"	Such locations of the CDPs where Bidders can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
"Designated Date"	The date on which funds are transferred from the Escrow Account to the Public Offer Account or the Refund Account, as appropriate, or the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Offer Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors or IPO Committee may Allot Equity Shares to successful Bidders in the Offer
"Designated Intermediaries"	In relation to ASBA Forms submitted by UPI Bidders (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

Term	Description
	In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such UPI Bidder using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
"Designated RTA Locations"	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs, a list of which, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) and updated from time to time
"Designated Stock Exchange"	[●]
"Draft Red Herring Prospectus" or "DRHP"	This draft red herring prospectus dated June 30, 2022, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the Offer, including the price at which the Equity Shares will be Allotted and the size of the Offer, and includes any addenda or corrigenda thereto
"Eligible FPIs"	FPIs from such jurisdictions outside India where it is not unlawful to make an offer/ invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to purchase the Equity Shares offered thereby
"Eligible NRIs"	NRI(s) eligible to invest under the relevant provisions of the FEMA Rules, from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus will constitute an invitation to purchase the Equity Shares
"Escrow Account(s)"	Accounts opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors will transfer money through direct credit/ NEFT/ RTGS/NACH in respect of Bid Amounts when submitting a Bid
"Escrow Collection Bank(s)"	The banks which are clearing members and registered with SEBI as Bankers to an issue under the BTI Regulations, and with whom the Escrow Account(s) will be opened, in this case being [●]
"F&S Report"	Report titled "*Assessment of Industrial Water and Wastewater Treatment Solutions Market in India"* dated June, 2022 prepared by Frost and Sullivan, who was appointed by our Company pursuant to an engagement letter dated January 21, 2022. The F&S Report has been paid and commissioned by our Company exclusively for the purposes of the Offer for an agreed fee and is available at our Company's website, at www.concordenviro.in.
"Fraudulent Borrower"	A company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution or consortium thereof, in accordance with the guidelines on fraudulent borrowers issued by the RBI.
"First Bidder"	The Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
"Floor Price"	The lower end of the Price Band, i.e. ₹ [●] subject to any revision(s) thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids, will be accepted
"Fresh Issue"	The fresh issue component of the Offer comprising of an issuance of up to [●] Equity Shares at ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) aggregating up to ₹1,750 million by our Company
"General Information Document" or "GID"	The General Information Document for investing in public offers, prepared and issued by SEBI, in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs
"Gross Proceeds"	The Offer proceeds from the Fresh Issue
"June 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
"March 2021 Circular"	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
"Monitoring Agency"	[●]
"Monitoring Agency Agreement"	The agreement to be entered into between our Company and the Monitoring Agency
"Mutual Fund"	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996

Term	Description
"Mutual Fund Portion"	Up to 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price
"Net Proceeds"	The Gross Proceeds less our Company's share of the Offer-related expenses applicable to the Fresh Issue. For further details about use of the Net Proceeds and the Offer related expenses, see "*Objects of the Offer*" on page 88.
"Net QIB Portion"	QIB Portion, less the number of Equity Shares Allotted to the Anchor Investors
"Non-Institutional Investors" or "NII(s)" or "Non-Institutional Bidders" or "NIB(s)"	All Bidders, that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
"Non-Institutional Portion"	The portion of the Offer being not more than 15% of the Offer, consisting of [●] Equity Shares, which shall be available for allocation to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price out of which i) one third shall be reserved for Bidders with Bids exceeding ₹ 0.2 million and up to ₹ 1 million: and ii) two- thirds shall be reserved for Bidders with Bids exceeding ₹ 1 million, provided that the unsubscribed portion in either of such sub-categories may be allocated to applicants in the other sub-category of non-institutional investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Non-Resident" or "NR"	A person resident outside India, as defined under FEMA and includes FPIs, VCFs, FVCIs and NRIs.
"Offer"	Initial public offering of up to [●] Equity Shares for cash at a price of ₹ [●] per Equity Share (including a share premium of ₹ [●] per Equity Share) aggregating up to ₹ [●] million consisting of a Fresh Issue of [●] Equity Shares aggregating up to ₹ 1,750 million by our Company and an Offer for Sale of up to 3,569,180 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholders. Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.
"Offer Agreement"	The agreement dated June 30, 2022 amongst our Company, the Selling Shareholders and the BRLMs, pursuant to the SEBI ICDR Regulations, based on which certain arrangements are agreed to in relation to the Offer
"Offer for Sale"	The offer for sale of up to 3,569,180 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders
"Offer Price"	₹ [●] per Equity Share, being the final price within the Price Band, at which the Equity Shares will be Allotted to successful Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, in accordance with the Book Building Process on the Pricing Date and in terms of the Red Herring Prospectus
"Offered Shares"	Up to [●] Equity Shares being offered by Selling Shareholders as part of the Offer for Sale
"Pre – IPO Placement"	Our Company, in consultation with the Selling Shareholders and the Book Running Lead Managers may consider a further issue of specified securities, including convertible securities which will be convertible into Equity Shares ("**Specified Securities**"), through a rights issue to existing shareholders, private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 350 million, at its discretion, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the SCRR. In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into equity shares prior to filing of the Red Herring Prospectus with the RoC. Upon allotment of Specified Securities issued pursuant to the Pre-IPO placement and after compliance with the requirements prescribed under Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects of the Offer
"Price Band"	Price band of a minimum price of ₹ [●] per Equity Share (Floor Price) and the maximum price of ₹ [●] per Equity Share (Cap Price) and includes any revisions thereof. The Cap Price shall be at least 105% of the Floor Price.

Term	Description
	The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and will be advertised in [●] editions of [●] an English national daily newspaper,[●] editions of [●] a Hindi national daily newspaper [●] and [●] edition of [●] a Marathi newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites in accordance with the SEBI ICDR Regulations
"Pricing Date"	The date on which our Company and the Selling Shareholders, in consultation with the BRLMs, will finalise the Offer Price
"Prospectus"	The prospectus to be filed with the RoC, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
"Public Offer Account Bank(s)"	The banks which are clearing members and registered with SEBI under the BTI Regulations, with whom the Public Offer Account(s) will be opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being [●]
"Public Offer Account(s)"	Bank account to be opened in accordance with the provisions of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Accounts and from the ASBA Accounts on the Designated Date
"QIB Portion"	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer, consisting of [●] Equity Shares which shall be allocated to QIBs, including the Anchor Investors (which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders, in consultation with the BRLMs up to a limit of 60% of the QIB Portion) subject to valid Bids being received at or above the Offer Price or Anchor Investor Offer Price
"Qualified Institutional Buyers" or "QIBs"	A qualified institutional buyer, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
"Red Herring Prospectus" or "RHP"	The red herring prospectus, including any corrigenda or addenda thereto, to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer, including any addenda or corrigenda thereto. The red herring prospectus will be filed with the RoC at least three working days before the Bid/ Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
"Refund Account(s)"	The 'no-lien' and 'non-interest bearing' account to be opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
"Refund Bank(s)"	The Banker(s) to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
"Registered Broker"	Stock brokers registered with the stock exchanges having nationwide terminals other than the members of the Syndicate, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
"Registrar Agreement"	The agreement dated June 27, 2022 entered amongst our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
"Registrar and Share Transfer Agents" or "RTAs"	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of BSE and NSE, and the UPI Circulars
"Registrar", or "Registrar to the Offer"	Link Intime India Private Limited
"Resident Indian"	A person resident in India, as defined under FEMA
"Retail Individual Bidders" or "RIB(s)" or "Retail Individual Investors" or "RII(s)"	Individual Bidders (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs) who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the Bidding options in the Offer
"Retail Portion"	The portion of the Offer being not more than 10% of the Offer consisting of [●] Equity Shares which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
"Revision Form"	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s), as applicable QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders

Term	Description
	Bidding in the Retail Portion can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date
"Self Certified Syndicate Bank(s)" or "SCSB(s)"	The banks registered with SEBI, offering services: (a) in relation to ASBA (other than using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable or such other website as may be prescribed by SEBI from time to time; and (b) in relation to ASBA (using the UPI Mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40, or such other website as may be prescribed by SEBI from time to time Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI Mechanism is provided as Annexure 'A' to the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43, as updated from time to time
"Specified Locations"	The Bidding centres where the Syndicate shall accept Bid cum Application Forms from relevant Bidders, a list of which is available on the website of SEBI (www.sebi.gov.in), and updated from time to time
"Specified Securities"	The Equity Shares or convertible securities which may be issued pursuant to the Pre-IPO Placement
"Share Escrow Agent"	Escrow agent to be appointed pursuant to the Share Escrow Agreement
"Share Escrow Agreement"	The agreement to be entered into amongst our Company, the Selling Shareholders, and the Share Escrow Agent for deposit of the Equity Shares offered by the Selling Shareholders in escrow and credit of such Equity Shares to the demat account of the Allottees.
"Sponsor Bank(s)"	The Banker to the Offer registered with SEBI which is appointed by the Company to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the UPI Mandate Requests and / or payment instructions of the UPI Bidders using the UPI Mechanism and carry out any other responsibilities in terms of the UPI Circulars, in this case being [●]
"Stock Exchanges"	Collectively, BSE Limited and National Stock Exchange of India Limited
"Syndicate Agreement"	Agreement to be entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and the Registrar of the Offer in relation to collection of Bid cum Application Forms by Syndicate
"Syndicate Members"	Intermediaries (other than BRLMs) registered with SEBI who are permitted to accept bids, applications and place orders with respect to the Offer and carry out activities as an underwriter namely, [●]
"Syndicate" or "members of the Syndicate"	Together, the BRLMs and the Syndicate Members
"Systemically Important Non-Banking Financial Company" or "NBFC-SI"	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
"Underwriters"	[●]
"Underwriting Agreement"	The agreement to be entered into amongst the Underwriters, the Selling Shareholders and our Company on or after the Pricing Date, but prior to filing of the Prospectus
"UPI"	Unified Payments Interface, which is an instant payment mechanism developed by NPCI
"UPI Bidder"	Collectively, individual investors applying as RIBs in the Retail Portion, and individuals applying as Non-Institutional Investors with a Bid Amount of up to ₹ 0.5 million in the Non-Institutional Portion by using the UPI Mechanism. Pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual investors applying in public issues where the application amount is up to ₹ 0.5 million shall use UPI and shall provide their UPI ID in the bid-cum-application form submitted with: (i) a syndicate member, (ii) a stock broker registered with a recognized stock exchange (whose name is mentioned on the website of the stock exchange as eligible for such activity), (iii) a depository participant (whose name is mentioned on the website of the stock exchange as eligible for such activity), and (iv) a registrar to an issue and share transfer agent (whose name is mentioned on the website of the stock exchange as eligible for such activity).
"UPI ID"	ID created on UPI for single-window mobile payment system developed by the NPCI

Term	Description
"UPI Mandate Request"	A request (intimating the UPI Bidders by way of a notification on the UPI application and by way of a SMS directing the UPI Bidders to such UPI application) to the UPI Bidders initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. In accordance with the SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&int mId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
"UPI Mechanism"	The Bidding mechanism that may be used by a UPI Bidder to make a Bid in the Offer in accordance with the UPI Circulars
"UPI PIN"	Password to authenticate UPI transaction
"Wilful Defaulter"	A wilful defaulter, as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
"Working Day"	All days, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, Working Day shall mean all days except all Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars.

Technical/Industry Related Terms/Abbreviations

Term	Description
"AI"	Artificial intelligence
"ATFD"	Agitated Thin Film Dryer
"BCM"	Billion cubic meters
"BOD"	Biological oxygen demand
"CAGR"	Compounded Annual Growth Rate (as a %): (End Year Value/ Base Year Value) ^ (1/No. of years between Base year and End year) –1 (^ denotes 'raised to')
"CAPEX"	Capital expenditure
"Capital Employed"	Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU)) + Total Debt - Deferred Tax asset
"CETP"	Common effluent treatment plants
"CGWB"	Central Ground Water Board
"COD"	Chemical Oxygen Demand
"CPCB"	Central Pollution Control Board
"EBIT"	Earnings before interest, tax calculated as restated profit after tax for the year, plus total tax expenses and finance cost
"EBITDA"	EBITDA is calculated as the sum of (i) profit for the period/year, (ii) tax expenses, (iii) depreciation and amortization expenses, and (iv) finance costs, less other income
"EBITDA Margin"	EBITDA Margin is calculated as EBITDA divided by revenue from operations
"EPC"	Engineering, procurement, and construction
"EPCG"	Export Promotion Capital Goods
"EPS"	Earnings per share
"ESG"	Environmental, social, and corporate governance
"Fixed Assets Turnover"	Revenue from operation, divided by average written down value of fixed assets, excluding capital work in progress.
"FO"	Forward osmosis
"HPRO"	High pressure reverse osmosis
"IoT"	Internet-of-Things
"m^3"	Cubic meters
"MBR"	Membrane bioreactor
"MEE"	Multiple effect evaporator
"MF"	Microfiltration
"MLD"	Minimum liquid discharge

Term	Description
"MLPD"	Million liters per day
"MVR"	Mechanical vacuum compressor
"Net Worth"	Net Worth is calculated as the sum of equity share capital and other equity, less capital reserve on consolidation.
"Net Asset Value"	Total Assets – Total Liabilities
"NF"	Nano filtration
"NGT"	National Green Tribunal
"O&M"	Operation and maintenance
"OPEX"	Operational expenditure
"PAT"	Profit after tax for the period / year
"PAT Margin"	Profit after tax for the period / year as a percentage of revenue from operations
"PCPIRs"	Petroleum, Chemicals and Petrochemical Investment Regions
"P/E Ratio"	Price/earnings ratio
"PLI"	Production Linked Incentives
"R&D"	Research and development
"RO"	Reverse osmosis
"ROA"	Return on asset calculated as Profit for the year/ period minus share of net loss of associate accounted using equity method divided by average total assets
"ROCE"	Return on Capital Employed calculated as EBIT divided by Capital Employed
"ROE"	Return on Equity is calculated as restated profit for the period/year divided by average equity
"RONW"	Return on Net Worth calculated as restated profit for the period / year divided by Net Worth.
"SPCB"	State Pollution Control Boards
"TDS"	Total Dissolved Solids
"TSS"	Total suspended solids
"Total Borrowing"	Non-current borrowings and current borrowing (including current maturities of long term debt)
"WHE"	Waste heat evaporators
"UF"	Ultrafiltration
"UHPRO"	Ultra-high pressure reverse osmosis
"ZLD"	Zero liquid discharge

Conventional and General Terms or Abbreviations

Term	Description
"₹" or "Rs." or "Rupees" or "INR"	Indian Rupees
"AIFs"	Alternative investment funds as defined in and registered under the AIF Regulations
"AS"	Accounting standards issued by the Institute of Chartered Accountants of India, as notified from time to time
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"CAGR"	Compounded Annual Growth Rate
"Calendar Year" or "year"	Unless the context otherwise requires, shall refer to the twelve month period ending December 31
"Category I AIF"	AIFs who are registered as "Category I Alternative Investment Funds" under the SEBI AIF Regulations
"Category II AIF"	AIFs who are registered as "Category II Alternative Investment Funds" under the SEBI AIF Regulations
"Category I FPIs"	FPIs who are registered as "Category I Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category II FPIs"	FPIs who are registered as "Category II Foreign Portfolio Investors" under the SEBI FPI Regulations
"Category III AIF"	AIFs who are registered as "Category III Alternative Investment Funds" under the SEBI AIF Regulations
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"Companies Act, 1956"	*Erstwhile* Companies Act, 1956 along with the relevant rules made thereunder
"Companies Act" / "Companies Act, 2013"	Companies Act, 2013, along with the relevant rules, regulations, clarifications, circulars and notifications issued thereunder, as amended and to the extent currently in force

Term	Description
"COVID – 19"	A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020
"Cr.P.C."	Code of Criminal Procedure, 1973
"Demat"	Dematerialised
"Depositories Act"	Depositories Act, 1996
"Depository" or "Depositories"	NSDL and CDSL
"DGFT"	Directorate General of Foreign Trade
"DIN"	Director Identification Number
"DP" or "Depository Participant"	A depository participant as defined under the Depositories Act
"DP ID"	Depository Participant's Identification Number
"FDI"	Foreign direct investment
"FDI Policy"	The consolidated FDI policy, effective from October 15, 2020, issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India *(earlier known as the Department of Industrial Policy and Promotion*)
"FEMA"	Foreign Exchange Management Act, 1999, including the rules and regulations thereunder
"FEMA Rules"	Foreign Exchange Management (Non-debt Instruments) Rules, 2019.
"Financial Year", "Fiscal", "FY" or "F.Y."	Period of twelve months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular year, unless stated otherwise
"FIR"	First information report
"FPI(s)"	Foreign Portfolio Investor, as defined under the FPI Regulations
"FPI Regulations"	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
"FIPB"	The *erstwhile* Foreign Investment Promotion Board
"Fugitive Economic Offender"	A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018
"FVCI"	Foreign venture capital investors, as defined and registered with SEBI under the FVCI Regulations
"FVCI Regulations"	Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000
"GDP"	Gross domestic product
"GoI" or "Government" or "Central Government"	Government of India
"GST"	Goods and services tax
"HUF"	Hindu undivided family
"IAS Rules"	Companies (Indian Accounting Standards) Rules, 2015, as amended
"ICAI"	The Institute of Chartered Accountants of India
"ICSI"	The Institute of Company Secretaries of India
"ICWAI"	The Institute of Cost & Works Accountants of India
"ICDS"	Income Computation and Disclosure Standards
"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board
"India"	Republic of India
"Ind AS" or "Indian Accounting Standards"	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with IAS Rules
"IGAAP" or "Indian GAAP"	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
"IPC"	The Indian Penal Code, 1860
"IPR"	Intellectual property rights
"IPO"	Initial public offer
"IST"	Indian standard time
"IT Act"	The Income Tax Act, 1961
"IT"	Information technology
"Listing Agreement"	The equity listing agreement to be entered into by our Company with each of the Stock Exchanges
"MCA"	Ministry of Corporate Affairs, Government of India
"Mn" or "mn"	Million
"N.A."	Not applicable
"NACH"	National Automated Clearing House
"NAV"	Net Asset Value
"NBFC"	Non-Banking Financial Company
"NEFT"	National electronic fund transfer

Term	Description
"NPCI"	National Payments Corporation of India
"NRE Account"	Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NRI" or "Non-Resident Indian"	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
"NRO Account"	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
"NSDL"	National Securities Depository Limited
"NSE"	National Stock Exchange of India Limited
"OCB" or "Overseas Corporate Body"	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer
"PAN"	Permanent account number allotted under the Income Tax Act, 1961
"RBI"	Reserve Bank of India
"Regulation S"	Regulation S under the U.S. Securities Act
"RTGS"	Real time gross settlement
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI"	Securities and Exchange Board of India constituted under the SEBI Act
"SEBI Act"	Securities and Exchange Board of India Act, 1992
"SEBI AIF Regulations"	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"SEBI ICDR Regulations"	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
"SEBI Insider Trading Regulations"	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
"SEBI Listing Regulations" or "Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
"SEBI Merchant Bankers Regulations"	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1999
"SEBI SBEB Regulations 2021"	Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
"SEBI VCF Regulations"	The *erstwhile* Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations
"SICA"	The *erstwhile* Sick Industrial Companies (Special Provisions) Act, 1985
"STT"	Securities Transaction Tax
"State Government"	Government of a State of India
"Takeover Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
"U.S.A"/ "U.S."/ "United States"	The United States of America, its territories and possessions, any State of the United States and the District of Columbia
"USD" or "US$"	United States Dollars
"U.S. GAAP"	Generally Accepted Accounting Principles in the United States of America
"U.S. Securities Act"	United States Securities Act of 1933, as amended
"VAT"	Value added tax
"VCFs"	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION AND MARKET DATA

Certain Conventions

All references to "India" in this Draft Red Herring Prospectus are to the Republic of India and its territories and possession and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

All references herein to the "US", the "U.S." or the "United States" are to the United States of America and its territories and possessions.

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

Financial Data

Unless the context otherwise requires or indicates, the financial information and any percentage amounts or ratios (excluding certain operational metrics), as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 26, 154 and 297, respectively, and elsewhere in this Draft Red Herring Prospectus have been derived from our Restated Consolidated Financial Information. Our Restated Consolidated Financial Information have been compiled from (i) the Special Purpose Consolidated Interim Ind AS Financial Statements as at and for the nine month period ended December 31, 2021 (along with comparative audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021); (ii) Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2020; and (iii) Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures as at and for the year ended March 31, 2019 (the audit report for which has been issued by a peer review Chartered Accountant, other than the previous statutory auditor of our Company). For further details, please see "*Financial Information*" on page 215.

For further information on our Company's financial information, see "*Financial Statements*" on page 215.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year; accordingly, all references to a particular Financial Year or Fiscal, unless stated otherwise, are to the 12 month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Reference in this Draft Red Herring Prospectus to the terms Fiscal or Fiscal Year or Financial Year is to the 12 months ended on March 31 of such year, unless otherwise specified.

The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and SEBI ICDR Regulations. Any reliance by persons not familiar with the aforementioned policies and laws on the financial disclosures presented in this Draft Red Herring Prospectus should be limited. There are significant differences between Ind AS, Indian GAAP, U.S. GAAP and IFRS. Our Company does not provide a reconciliation of its financial statements with Indian GAAP, IFRS or U.S. GAAP requirements. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. For further details in connection with risks involving differences between Ind AS and other accounting principles, see *"Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Consolidated Financial Information prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus." on page* 56.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Except as otherwise stated, all figures in decimals have been rounded off to the second decimal and all the percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Non-GAAP Measures

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA Margin, PAT Margin, ROCE, ROE, Net debt/equity ratio, Net Worth, Return on Net Worth, Net Asset Value per Equity Share, and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP Measures are not a measurement of our financial performance or liquidity under

Ind AS, Indian GAAP, or IFRS and should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the year / period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, or IFRS. In addition, these Non-GAAP Measures are not a standardised term and, therefore, a direct comparison of similarly titled Non-GAAP Measures between companies may not be possible. Other companies may calculate the Non-GAAP Measures differently from us, limiting their usefulness as a comparative measure. Although the Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us because these are widely used measures to evaluate a company's operating performance. See "*Risk Factors – Significant differences exist between Ind-AS and other accounting principles such as U.S. GAAP and IFRS which may be material to the restated financial statements prepared and presented in accordance with Ind AS contained in this Draft Red Herring Prospectus."* on page 56.

Currency and Units of Presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America.

3. "Dirhams" or "AED" or "د.إ" are to the United Arab Emirates Dirham, the official currency of the United Arab Emirates.

4. "Mexican Peso" or "Peso" or "MXN" "Mex$" are to the Mexican Peso, the official currency of Mexico.

Except otherwise specified, our Company has presented certain numerical information in this Draft Red Herring Prospectus in "million", "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Time

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Exchange Rates

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee, USD, Dirhams and Mexican Peso:

Currency	As on December 31, 2021(₹)	As on March 31, 2021(₹)	As on March 31, 2020 (₹)	As on March 31, 2019(₹)[(1)]
1 USD	74.30	73.50	75.39	69.17
1 AED	20.24	19.93	20.44	18.86
1 MXN	3.61	3.55	3.14	3.56

(Source: USD - www.fbil.org.in, AED and MXN – www.oanda.com)

(1) In case of a public holiday, the previous working day i.e. March 30, 2019 has been considered.

Industry and Market Data

The industry and market data set forth in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable.

The extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary

widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" on page 26.

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry obtained or derived from the report titled "*Assessment of Industrial Water and Wastewater Treatment Solutions Market in India*" dated June, 2022 prepared by Frost and Sullivan ("**F&S**"), who was appointed by our Company pursuant to an engagement letter dated January 21, 2022, (the "**F&S Report**") and publicly available information as well as other industry publications and sources. The F&S Report has been paid for and commissioned by our Company exclusively for the purposes of the Offer for an agreed fee and is available at our Company's website, at concordenviro.in/ipo. Further, F&S, *vide* its letter dated June 30, 2022 ("**Letter**") has accorded their no objection and consent to use the F&S Report and the contents thereof in the DRHP and have also confirmed that they are an independent agency, and are not related to our Company, our Directors, our Promoters and our Key Managerial Personnel. For further details in relation to risks involving the F&S Report, see "*Risk Factors – Certain sections of this Draft Red Herring Prospectus contain information from F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.*" on page 52.

Disclaimer of F&S Report

This Draft Red Herring Prospectus contains certain data and statistics from the F&S Report, which is subject to the following disclaimer:

"*Assessment of Industrial Water and Wastewater Treatment Solutions Market in India" has been prepared for Concord Enviro Systems Limited (the "**Company**").*

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

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

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

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

FORWARD LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain statements which are not statements of historical facts and may be described as "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "are likely", "believe", "continue", "can", "shall", "could", "expect", "estimate", "intend", "may", "likely" "objective", "plan", "project", "propose", "seek to", "will", "will continue", "will likely", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Red Herring Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties, expectations and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations, taxes, changes in competition in our industry and incidents of any natural calamities and/or acts of violence. Certain important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

1. Dependence on manufacturing facilities, and being subject to certain risks in the manufacturing process such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters.

2. Our Order Book is not necessarily indicative of future revenues or profit.

3. Audited consolidated financial statements as at, and for the year ended, March 31, 2019 have been audited and certified by Shah Khandelwal Jain & Associates as another principal auditor of the Company and who is not the Statutory Auditor.

4. Manufacturing facilities located in Vasai, Maharashtra and Sharjah, United Arab Emirates, exposing our Company to regulatory and other geography specific risks.

5. Adverse effect on the business if we do not successfully develop new wastewater treatment membranes, systems and plants in a timely and cost-effective manner.

6. Incur material costs to comply with the regulations or suffer material liabilities or damages in the event of an incidence or non-compliance of environment.

7. Our inability to meet our working capital requirements.

8. Shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products.

9. Government Customers which exposes us to various risks inherent in doing business with them.

10. Prepay or repay all or a portion of certain outstanding borrowings availed by our Subsidiaries, RSSPL, BWT and CEF.

For further discussion of factors that could cause the actual results to differ from our estimates and expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Position and Results of Operations*" on pages 26, 154 and 297, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management's beliefs, assumptions, current plans, estimates and expectations, which in turn are based on currently available information. Although we believe the assumptions

upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, our Directors, our Promoters, the Selling Shareholders, the BRLMs, the Syndicate Member 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 the requirements under the SEBI ICDR Regulations, our Company will ensure that investors in India are informed of material developments pertaining to our Company and the Equity Shares from the date of this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. The Selling Shareholders shall ensure (through our Company and the BRLMs) that the investors are informed of material developments in relation to statements specifically confirmed or undertaken by the Selling Shareholders in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges.

SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of the terms of the Offer, certain disclosures included in this Draft Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections titled "*Risk Factors*", "*The Offer*", "*Capital Structure*", "*Industry Overview*", "*Our Business*", "*Objects of the Offer*", "*Our Promoters and Promoters Group*", "*Financial Statements*", "*Outstanding Litigation and Material Developments*", *"Offer Structure", "Management's Discussions and Analysis of Financial Position and Results of Operations*" on pages 26, 61, 77, 118, 154, 88, 208, 215, 354, 382, and 297 respectively.

Primary business of our Company

We are an integrated solutions provider of industrial wastewater reuse and zero liquid discharge ("**ZLD**") solutions, with an inhouse position across the value chain including design, component manufacturing, installation and commissioning and operation and maintenance ("**O&M**") including digitalization solutions including Internet of Things ("**IoT**") technology for analysis of customer data. According to Frost & Sullivan, we were the second largest Indian solutions provider in Fiscal 2021 for industrial water recycle and reuse systems in terms of revenue. *(Source: F&S Report, June 2022).* Further, in Fiscal 2021 we were the largest ZLD solutions provider in India in revenue terms, and through our recycling solutions have been supporting our clients to achieve water conservation and achieve sustainability. *(Source: F&S Report, June 2022).*

Summary of the industry in which our Company operates

According to the F&S Report, the industrial water and wastewater treatment solutions market was valued at INR 65 billion in Fiscal 2021. India's total utilizable water resource is pegged at 1,122 billion cubic meters ("**BCM**") per year by the Ministry of Jal Shakti. Water resource in India refers to surface water (rivers, lakes, ponds, etc.) and ground water; and does not include water generated from desalination and recycle/reuse techniques. Of the total utilizable water, 761 BCM was consumed by all end user segments in calendar year 2018. According to the F&S Report (per the NITI Aayog Composite Water Management Index Report 2019), the total water demand in India is estimated to be 1,498 BCM by 2030. Compared with estimated water availability of 1,122 BCM, this projection indicates an overall deficit of 376 BCM by 2030. It highlights the fact that India needs to urgently take effective measures today to curb the scarcity of water in the future.

Names of the Promoters

Our Promoters are Prayas Goel and Prerak Goel. For further details, see "*Our Promoters and Promoter Group*" on page 208.

Offer Size

Offer of Equity Shares[(1)]	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which	
Fresh Issue[(1)(2)]	Up to [●] Equity Shares, aggregating up to ₹ 1,750 million
Offer for Sale[(3)]	Up to 3,569,180 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders

(1) *Our Company, in consultation with the Selling Shareholders and BRLMs, may consider undertaking a Pre-IPO Placement. If our Company undertakes the Pre-IPO Placement, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

(2) *The Equity Shares being offered by each of the Selling Shareholders, severally and not jointly, are eligible for being offered for sale as part of the Offer in terms of the Regulation 8 of the SEBI ICDR Regulations. The Offer has been authorized by a resolution of our Board dated June 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated June 22, 2022. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on June 30, 2022.*

(3) *The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For further details of authorisations pertaining to the Equity Shared offered for sale, see "Other Regulatory and Statutory Disclosures" on page 364. In accordance with Regulation 8A of the SEBI ICDR Regulations; shares offered for sale by (i) Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of the Company (on a fully- diluted basis), shall not exceed more than 50% of their respective pre-Offer shareholding (on a fully- diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of the Company (on a fully diluted basis), shall not exceed more than 10% of the pre-Offer shareholding of the Company (on a fully- diluted basis).Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above,*

the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For details, see "Offer Procedure" on page 385.

The Offer shall constitute [●] % of the post Offer paid up Equity Share capital of our Company.

The above table summarises the details of the Offer. For further details of the offer, see "*The Offer*" and "*Offer Structure*" on pages [●]and [●], respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(In ₹ million)

Particulars	Amount^
Investment in our Material Subsidiary, Concord Enviro FZE ("**CEF**") in relation to financing the construction of an assembly unit ("**Assembly Unit**") in Sharjah International Airport Free Zone	180.00
Investment in our Material Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") for funding its working capital requirements	300.00
Investment in our Material Subsidiary, CEF for funding its working capital requirements	300.00
Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiaries namely, RSSPL, Blue Water Trading and Treatment FZE ("**BWT**") and CEF	665.00
General Corporate Purposes	[●]
Net Proceeds*	[●]

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

^ *Our Company, in consultation with the Selling Shareholders and the BRLMs, may consider undertaking a Pre-IPO Placement. If our Company undertakes the Pre-IPO Placement, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

For further details, see "*Objects of the Offer*" on page 88.

Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders

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

	Name of shareholder	Pre-Offer equity share capital	
		Number of Equity Shares**	Percentage of total pre-Offer paid up Equity Share capital
	Promoters		
1.	Prayas Goel*	282,720	33.22
2.	Prerak Goel*	177,960	20.91
	Sub-Total (A)	**460,680**	**54.13**
	Promoter Group		
1.	Namrata Goel*	29,500	3.47
2.	Nidhi Goel*	31,500	3.70
3.	Pushpa Goel*	92,420	10.86
4.	Krttika Goel	2,000	0.23
	Sub-Total (B)	**155,420**	**18.26**
	Selling Shareholders		
5.	AF Holdings	235,020#	27.61
	Sub-Total (C)	235,020	**27.61**
	Total (A+B+C)	**851,120**	**100.00**

* *Also the Selling Shareholders.*

** *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

\# *In addition to the Equity Shares, AF Holdings also holds 7,999 CCPS as of the date of the Draft Red Herring Prospectus, which will be converted into 2,879,640 Equity Shares (as adjusted for the Bonus Issuance) prior to filing of the Red Herring Prospectus with RoC.*

The aggregate pre-Offer shareholding of our Promoters, Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company, on a fully diluted basis, assuming consummation of the Bonus Issuance, is set out below:

S. No.	Name of shareholder	Pre-Offer equity share capital on a fully diluted basis and assuming consummation of Bonus Issuance	
		Number of Equity Shares**	Percentage of total pre-Offer paid up Equity Share capital
	Promoters		
1.	Prayas Goel*	5,088,960	27.96
2.	Prerak Goel*	3,203,280	17.60
	Sub-Total (A)	**8,292,240**	**45.56**
	Promoter Group		
3.	Namrata Goel*	531,000	2.92
4.	Nidhi Goel*	567,000	3.12
5.	Pushpa Goel*	1,663,560	9.14
6.	Krttika Goel	36,000	0.20
	Sub-Total (B)	**2,797,560**	**15.37**
	Selling Shareholders		
7.	AF Holdings	7,110,000[#]	39.07
	Sub-Total (C)	7,110,000	39.07
	Total (A+B+C)	**18,199,800**	**100.00**

* *Also the Selling Shareholders.*

[#] *Assuming conversion of 7,999 CCPS which are currently held, into 2,879,640 Equity Shares (as adjusted for the Bonus Issuance). The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.*

** *Assuming consummation of the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

For further details (including in relation to the Bonus Issuance), please see "*Capital Structure*" and "*Details of Pre-IPO placement and proposed Bonus Issuance*" on pages 77 and 24.

Summary of select financial information

The summary of our select financial information as per the Restated Consolidated Financial Information is set forth below:

(In ₹ million except per share data)

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Equity share capital	4.26	3.08	3.08	3.08
Net Worth[(1)]	2,520.55	(124.35)	(219.22)	(367.59)
Revenue from Operations	2,193.75	3,476.02	3,832.13	2,976.75
Profit for the period/ year	30.26	198.12	78.60	158.52
Total comprehensive income	44.89	137.83	152.91	199.99
Earnings per share				
- Basic	29.93*	321.57	127.58	257.29
- Diluted	29.93*	321.57	127.58	257.29
Net Asset Value per equity share[(2)]	2,510.04	(173.67)	(327.66)	(568.48)
Total Borrowing [(3)]	1,191.24	3,669.21	3,622.76	3,126.22

* *Not annualised.*

Notes:

(1) Net Worth is calculated as the sum of equity share capital and other equity, less capital reserve on consolidation.

(2) Net Asset Value per equity share = Net Asset Value, as restated divided by the weighted average number of equity shares outstanding at the period / year end as considered for calculation of basic and diluted EPS.

(3) Total borrowings is the sum of current borrowings and non-current borrowings.

For further details see "*Financial Statements*" on page 215.

For details of reconciliation of Non-GAAP measures, please see "*Management's Discussion and Analysis of Financial Condition and Operations*" on page 297.

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

The Statutory Auditors have not made any qualifications in the examination report that have not been given effect to in the Restated Consolidated Financial Information.

Summary of Outstanding Litigation

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Group Companies, our Promoters and our Directors as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	1	1.05
Directors (other than Promoters)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	1	Nil	Nil	Nil	Nil	1.14
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	7	362.63
Against the Subsidiaries	Nil	5	Nil	Nil	5	466.54
Group Companies						
Litigation involving our Group Companies which may have a material impact on our Company	Nil	Nil	Nil	Nil	Nil	Nil

For further details of the outstanding litigation proceedings, see "*Outstanding Litigation and Material Developments*" on page 354.

Risk Factors

For details of certain risks applicable to us, see "*Risk Factors*" on page 26. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer.

Summary of Contingent Liabilities and Commitments of our Company

Details of the contingent liabilities and commitments of our Company as at December 31, 2021 derived from the Restated Consolidated Financial Information are set forth below:

Sr. No.	Particulars	Amount (in ₹ million)
1.	Sales tax / VAT	5.63
2.	Service Tax	10.37
3.	Income Tax	2.17
4.	Customs	0.11
5.	Bank Guarantees	177.78
6.	Corporate Guarantees	259.90
	Total	**455.96**

For further details of the contingent liabilities and commitments of our Company as on December 31, 2021, see "*Restated Consolidated Financial Information - Contingent Liability and Capital Commitments*" on page 268.

Summary of Related Party Transactions

Summary of the related party transactions derived from the Restated Consolidated Financial Information, is as follows:

(In ₹ million)

Sr. No.	Nature of transaction	Name of the party	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
1	Purchase of goods	Concord Shipping Private Limited	-	1.12	-	-
		WHE Systems FZC	10.96	-	-	-
		Rochem India Private Limited	0.39	0.33	0.18	0.24
2	Purchase of capital goods	Concord Shipping Private Limited	1.13	-	-	-
		Rochem Green Energy Private Limited	-	139.43	-	-
		Infinity Solar Power Private Limited	-	0.97	1.26	-
3	Sale of Material or Provision of Service	WHE Systems FZC	17.83	94.77	-	-
		Roserve Enviro FZE	-	158.55	130.40	
		Roserve Enviro Private Limited	68.19	97.38	142.47	232.81
4	Service and Labour Charges	Rochem India Private Limited	12.73	14.05	16.90	20.15
5	Rent Expenses (including rentals paid for assets accounted as operating lease under IndAS 116)	Rochem India Private Limited	-	-	1.50	1.52
		Concord Shipping Private Limited	20.35	28.11	25.00	27.02
		Roserve Enviro Fze	35.26	44.95	3.02	-
		Roserve Enviro Private Limited	77.03	102.36	89.54	56.60
6	Investment made	Roserve Enviro Private Limited	-	-	63.72	14.71
		WHE Systems FZC	1.52	-	-	-
7	Interest Expenses	Roserve Enviro Private Limited	6.18	12.64	7.49	4.89
		AF Holding, Mauritius	4.10	14.29	19.18	17.72
8	Unwinding of present value of redemption amount in respect of financial instrument classified as financial liability	AF Holding, Mauritius	-	-	227.24	124.31
9	Classification of Financial Instrument from Liability to Equity	AF Holding, Mauritius	2600.00	-	-	-
10	Security Deposit given	Concord Shipping Private Limited	-	18.00	17.00	-
		Roserve Enviro FZE	-	14.26	-	-
11	Security Deposit Repaid	Roserve Enviro Private Limited	-	1.60	-	-
12	Redemption of 0.001% Compulsory Convertible Debentures	Prayas Goel	6.74	-	-	-
		Prerak Goel	1.84	-	-	-
13	Loans and advances received	Rochem Green Energy Private Limited	-	1.22	-	-
14	Reimbursement of Cost Incurred	Rochem Green Energy Private Limited	0.08	-	-	0.64
		Prerak Goel	-	-	-	0.92
15	Loan Repaid	Prerak Goel	-	1.22	-	-
		Prayas Goel	-	-	5.08	-
		AF Holding, Mauritius	-	153.65	-	-
16	Liquidated damages	Roserve Enviro Private Limited	-	1.56	-	-
17	Corporate Guarantee Commission Income (deemed)	Roserve Enviro Private Limited	0.30	-	-	-
		Concord Shipping Private Limited	-	0.50	-	-
		Rochem Green Energy Private Limited	0.28	0.47	0.43	0.50
18	Corporate Guarantee Charges	Concord Shipping Pvt. Ltd.	0.07	0.50	-	-

For further details of the related party transactions, as per the requirements under Ind AS 24 'Related Party Disclosures', see "*Restated Consolidated Financial Information – Related Party Disclosures*" on page 276.

Financing Arrangements

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

Weighted average price at which the Equity Shares were acquired by our Promoters and Selling Shareholders in the last one year preceding the date of this Draft Red Herring Prospectus

Except as disclosed below, none of the Selling Shareholders or Promoters have acquired Equity Shares in the last one year preceding the date of this DRHP. Accordingly, the weighted average price at which our Promoters and the Selling Shareholders acquired the Equity Shares in the last one year preceding the date of this Draft Red Herring Prospectus are as follows:

Name	Number of Equity Shares acquired in the last year	Weighted Average Price of Equity Shares acquired in the last year (₹)**
Promoters		
Prayas Goel *	132,120***	Nil
Prerak Goel*	27,460***	Nil

* *Also the Selling Shareholders.*

** *As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, by way of their certificate dated June 30, 2022.*

*** *After giving effect to the sub-division of equity shares of face value of ₹ 100 each of our Company into equity shares of face value of ₹ 5 each, pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022.*

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

The average cost of acquisition per Equity Share of the Equity Shares held by our Promoters and the Selling Shareholders, as at the date of this Draft Red Herring Prospectus, is set forth below:

Name	Number of Equity Shares held as on the date of this Draft Red Herring Prospectus	Average cost of acquisition per Equity Share** (₹)
Promoters		
Prayas Goel*	282,720	2.66[#]
Prerak Goel*	177,960	4.23[#]
Selling Shareholders		
AF Holdings	235,020	2,722.81[##]
Pushpa Goel	92,420	5.00[#]
Namrata Goel	29,500	5.34[#]
Nidhi Goel	31,500	5.00[#]

* *Also the Selling Shareholders*

** *As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, by way of their certificate dated June 30, 2022.*

[#] *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance (as defined hereinafter) in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

[##] *Calculated based on acquisition of 235,020 Equity Shares held by AF Holdings as on date, and does not include Equity Shares which will be acquired pursuant to the proposed Bonus Issuance (as defined hereinafter) and conversion of CCPS (as defined hereinafter).*

Details of proposed Bonus Issuance

Subject to receipt of requisite corporate and regulatory approvals and approval of shareholders in a general meeting in accordance with the applicable law, our Company proposes to undertake a bonus issue of Equity Shares in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, which shall be undertaken no later than filing of the Red Herring Prospectus with the RoC. The total Equity Shares issued pursuant to the bonus issue shall not exceed 14,469,040 Equity Shares. The Bonus Issuance will be undertaken prior to conversion of the 7,999 CCPS held by AF Holdings.

Details of Pre-IPO placement

Further, our Company, in consultation with the Selling Shareholders and the Book Running Lead Managers may consider a further issue of specified securities, including convertible securities which will be convertible into equity shares ("**Specified Securities**"), through a rights issue to existing shareholders, private placement, preferential offer or any other method as may be permitted under applicable law to any person(s), aggregating up to ₹ 350 million, at its discretion, prior to filing of the Red

Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the fresh issue size will be reduced to the extent of such Pre-IPO Placement, subject to the offer complying with rule 19(2)(b) of the SCRR. In the event convertible securities are issued in the Pre-IPO Placement, such securities shall be converted into equity shares prior to filing of the Red Herring Prospectus with the RoC. Upon allotment of Specified Securities issued pursuant to the Pre-IPO Placement and after compliance with the requirements prescribed under Companies Act, our Company shall utilise the proceeds from such Pre-IPO Placement towards one or more of the Objects of the Offer.

Issue of Equity Shares for consideration other than cash in the last one year

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

Split / Consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

Pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 42,556 equity shares of face value of ₹ 100 each was sub-divided into 851,120 equity shares of face value of ₹ 5 each.

For details, see "*Capital Structure – Equity Share capital history of our Company*" on page 77.

Exemption from complying with any provisions of securities laws

Our Company has not obtained any exemptions from complying with any provisions of securities laws from SEBI.

SECTION II – RISK FACTORS

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

We have described the risks and uncertainties that we consider material, but these risks and uncertainties may not be the only risks relevant to us, the Equity Shares, or the industry in which we currently operate or propose to operate. Unless specified or quantified in the relevant risk factor below, we are not in a position to quantify the financial or other implication of any of the risks mentioned in this section. If any or a combination of the following risks actually occur, or if any of the risks that are currently not known or deemed to be not relevant or material now actually occur or become material in the future, our business, cash flows, prospects, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment. For more details on our business and operations, see "Our Business", "Industry Overview", "Key Regulations and Policies in India" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 154, 118, 175 and 297, respectively, as well as other financial information included elsewhere in this Draft Red Herring Prospectus. In making an investment decision, you must rely on your own examination of us and the terms of the Offer, including the merits and risks involved, and you should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ materially from those anticipated in these forward- looking statements as a result of certain factors, including but not limited to the considerations described below. For details, see "Forward-Looking Statements" on page 17.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by F&S Report and commissioned and paid for by us in connection with the Offer. The F&S Report is available at the following web-link: www.concordenviro.in/ipo. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant financial year. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to Concord Enviro Systems Limited and its subsidiaries and joint ventures on a consolidated basis.

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for the nine month period ended December 31, 2021 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Restated Consolidated Financial Information beginning on page 215.

Internal Risks

Risks Relating to our Business

1. Our business is dependent and will continue to depend on our manufacturing facilities, and we are subject to certain risks in our manufacturing process such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters. In addition, any strikes, work stoppages or increased wage demands by our employees could also interfere with our operations.

We have manufacturing facilities in Vasai, Maharashtra and Sharjah, U.A.E. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown or failure of equipment, industrial accidents, severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our "**Manufacturing Assets**") may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections, customer audits and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Our manufacturing processes involve machinery including welding, heating processes, lifting of heavy materials and handling of dangerous chemicals that may result in accidents, which could cause injury to our employees, contract labour and other persons at our manufacturing facilities and warehouses or that could also damage our equipment,

machines and properties. In the event of any such accidents, our business operations may be interrupted, and this may adversely affect our production schedules, costs and sales and our ability to meet customer demand. In addition, any such accidents may expose us to civil or criminal liability, which could have an adverse effect on our business, financial condition and results of operations. Further, certain environmental laws impose strict liability for accidents and damages resulting from hazardous chemicals such as caustic and acids, and any failure to comply with such laws may lead to closure, penalties, fines and imprisonment. Although we have not experienced any such incidents in the past three years, we may experience incidents in the future which adversely affect our business, financial condition and results of operations.

As of December 31, 2021, we had 1,054 permanent employees. The success of our operations depends on availability of labour and good relationships with our labour force. As of the date of this Draft Red Herring Prospectus, our employees are not members of any organised labour unions. Shortage of skilled or unskilled personnel or increased wage demands could have an adverse effect on our business and results of operations. In addition, work stoppages caused by disagreements with employees like strikes and lockouts may adversely affect our operations. Although we have not had instances of strikes and labour disputes, we may experience such instances on account of labour disputes in the future. Such events could disrupt our operations and may have a material adverse effect on our business, results of operations and financial condition. In addition, we also may face protests from local citizens at our existing facilities or while setting up new facilities, which may delay or halt our operations.

We have experienced significant disruptions at our manufacturing facilities in the past, and we cannot assure you that there will not be any disruptions in our operations in the future. For example, we faced disruptions annually at our Vasai facility during monsoons and our Vasai facility was flooded during the monsoon of 2021. In addition, we experienced a shutdown of our facilities in India during the nationwide lockdown due to the COVID-19 pandemic. See – "*The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" on page 34. We may experience similar or more severe disruptions in the future. Events like these could result in liabilities, or adversely affect our reputation with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition.

2. The contracts in our Order Book may be adjusted, cancelled or suspended by our customers and, therefore our Order Book is not necessarily indicative of our future revenue or profit.

As at December 31, 2021, our Order Book was ₹1,399.03 million (including advance purchase orders), of which 42.32.% comprises system and plant orders and 57.68% comprises after-sales revenue (including consumables and spares orders and O&M services orders). Our "Order Book" comprises anticipated revenue from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders.

There can be no assurance that our Order Book will actually be realized as revenue or, if realized, will result in profits. Although we have not had instances of cancellation or termination in the past three fiscal years, certain of our contracts are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. In addition, the contracts in our Order Book are subject to changes in the scope of services and products to be supplied as well as adjustments to the costs relating to the contracts or place of delivery. Projects can remain in Order Book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. Typically, if projects or contracts are delayed, we are able to divert the material to other contracts and not incur costs on account of delays. Further if there are cost increases, these would be negotiated and contracts and purchase orders with customers would be amended. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. There may also be disputes in relation to our Order Book and receivables outstanding. Any delay, cancellation, dispute or payment default could adversely affect our business, results of operations and financial condition. For more information on our Order Book, see "*Our Business—Our Order Book*" on page 166.

3. Our audited consolidated financial statements as at, and for the year ended, March 31, 2019 prepared in accordance with Indian Accounting Standards (Ind AS) and our Restated Consolidated Financial Information as at, and for the year ended, March 31, 2019 (which are based on our audited consolidated financial statements), have been audited and examined by Shah Khandelwal Jain & Associates as another principal auditor of our Company and who is not our Statutory Auditor.

The Restated Consolidated Financial Information state that they have been prepared in accordance with Ind AS and restated in accordance with the requirements of Section 26 of the Companies Act, 2013, as amended, the ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI (the "**ICAI**

Guidance Note"), and to the extent applicable and the E-mail, dated October 28, 2021, from SEBI to the Association of Investment Bankers of India (the "**SEBI Communication**"), instructing lead managers to ensure that companies provide consolidated financial statements prepared in accordance with Ind AS for all the three fiscal years and stub period included in the Offer Document.

While our statutory auditors for Fiscal 2019 were B S R & Associates LLP, our Special Purpose Consolidated Ind As Financial Statements as at, and for the year ended, March 31, 2019 (the "**Fiscal 2019 Financials**"), have been audited (including giving effect to the transition from Indian GAAP to Ind AS, as stated above) and certified by Shah Khandelwal Jain & Associates, a valid peer reviewed independent chartered accountant acting as another principal auditor of the Company (the "**Other Principal Auditor**"). Our Restated Consolidated Financial Information as at, and for the year ended, March 31, 2019 ("**Restated Fiscal 2019 Financials**"), which are based on the Fiscal 2019 Financials, have been examined and reported upon by the Other Principal Auditor. The Fiscal 2019 Financials and the Restated Fiscal 2019 Financials were prepared in accordance with the requirements of Section 26 of the Companies Act, 2013, as amended, the ICDR Regulations, the Amendment Regulations, the ICAI Guidance Note, and to the extent applicable the SEBI Communication as set forth in the audit report, dated June 21, 2022, of the Other Principal Auditor in respect of the Fiscal 2019 Financials and the examination report, dated June 21, 2022, of the Other Principal Auditor in respect of the Restated Fiscal 2019 Financials. Although the Other Principal Auditor has issued such audit report and examination report, investors are cautioned that the Other Principal Auditor did not perform its audit in the capacity of the statutory auditor of the Company in respect of such Fiscal 2019 Financials or Restated Fiscal 2019 Financials. For details of changes in our statutory auditors, and reasons thereof, please see "*General Information – Changes in our statutory auditors*" on page 72.

4. Our manufacturing facilities are located in Vasai, Maharashtra and Sharjah, United Arab Emirates, exposing us to regulatory and other geography specific risks such as labour unrests, terrorist attacks, other acts of violence and occurrence of natural and man-made disasters.

As on date of this Draft Red Herring Prospectus, our manufacturing facilities are located in Vasai, Maharashtra and Sharjah, U.A.E. We are also constructing a new assembly unit ("**Assembly Unit**") in Sharjah International Airport Free Zone in accordance with the "*Objects of the Offer*" on page 88. Accordingly, our manufacturing and R&D operations are concentrated in these two geographic areas. This concentration heightens our exposure to adverse developments related to regulatory, as well as economic, demographic and other changes in Maharashtra and the U.A.E. as well as the occurrence of natural and man-made disasters in these areas, which may adversely affect business, results of operations and financial condition. Our manufacturing and R&D operations require significant labour and are also reliant on government policies in terms of taxes, duties and incentives made applicable by the governments. Although we have not experienced any incidents of disruption in the past as a result, any unfavourable policies in Maharashtra or the U.A.E., such policies could adversely affect our business, results of operations and financial condition. Furthermore, Maharashtra has experienced social and civil unrest in the past within the state, although such tensions have not affected our operations in the past, future tensions could lead to political or economic instability in Maharashtra and a possible adverse effect on our business, results of operations and financial condition. There can be no assurance that such situations will not recur or be more intense than in the past.

5. We are dependent on our research and development activities for our future success. If we do not successfully develop new wastewater treatment membranes, systems and plants in a timely and cost-effective manner, our business, results of operations and financial condition may be adversely affected.

We are dependent on our R&D activities and engineers/technical experts for our future success. Our future results of operations depend, to a significant degree, on our ability to successfully develop new waste treatment membranes, systems and plants in a timely and cost-effective manner. Innovation continues to be the key determinant for our success. We believe the development and commercialisation of waste treatment systems, plants and products are complex, time-consuming, costly and involves a high degree of business risk. We may encounter unexpected delays in the launch of these new systems, plants and products and these new systems, plants and products may not perform as we expect.

The success of our systems, plants and products will depend on several factors, including our ability to properly anticipate customer needs; obtain timely regulatory approvals; establish collaborations with suppliers and customers; develop and manufacture our products in a timely and cost-effective manner through our R&D efforts; and successfully market and sell our products. In addition, the development and commercialisation of our wastewater treatment systems, plants and products is characterised by significant upfront costs, including costs associated with R&D, product development activities, obtaining regulatory approvals, building inventory and sales and marketing. If we do not successfully develop new systems, plants and products or in a timely, cost-effective manner that is attractive to our customers, our business, results of operations and financial condition may be adversely affected.

6. Our operations are subject to environmental and workers' health and safety laws and regulations. We may have to incur material costs to comply with these regulations or suffer material liabilities or damages in the event of an

incidence or non-compliance of environment and other similar laws and regulations which may have a material adverse effect on our reputation, business, financial condition and results of operations.

Our operations are subject to environmental laws and regulations in India, including the Environment (Protection) Act, 1986 and the Environment Protection Rules, 1986, the Air (Prevention and Control of Pollution) Act, 1981, the Water (Prevention and Control of Pollution) Act, 1974, the Solid Waste Management Rules, 2016, the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, Bio-Medical Waste Management Rules, 2016 and other regulations promulgated by the Ministry of Environment, Forest and Climate Change, Government of India ("**MoEF**") and various statutory and regulatory authorities and agencies in India. Our operations in Sharjah are also subject to environmental laws and regulations in the U.A.E. including the Federal Law No 24 Issued on 17/10/1999 Corresponding to 8 Rajab 1420 H on the Protection and Development of the Environment Amended by Federal Law No. 11/2006 dated 07/05/2006 and Federal Law No. 12 of 2018 Issued on 18/12/2018 on the Integrated Waste Management. We are subject to regulations with respect to a range of environmental matters including limitations on land use, licensing requirements, management of materials used in manufacturing activities, the storage of inflammable and hazardous substances and associated risks, the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For details of the key regulations applicable to our business, see "Key Regulations and Policies" on page 175. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India and the U.A.E. have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities.

We are also subject to the laws and regulations in India and the U.A.E. governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may 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. While there have been no instances where we have failed to comply with regulations that has resulted in a shutdown or other sanctions being imposed on us, we cannot assure you that we will not be involved in future litigation or other proceedings or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant.

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 or financial condition. 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.

7. We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.

Our business requires working capital for day-to-day operations, procurement of raw materials and production. In addition, turnkey projects and contracts may require us to incur substantial working capital costs before milestone payments are made to cover these costs for the purpose of ensuring that such projects and contracts are delivered and completed on a timely manner. Further, certain purchase orders may require a considerable increase in materials and production costs particularly in connection with new systems and plants. The credit period given to customers may be considerable and customers may not be invoiced for products until the time of delivery of our systems, plants or products or after their delivery and, in some cases, the customer may not pay our invoices on time or at all.

In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our working capital days were 280 days, 244 days, 219 days and 218 days, respectively. We meet our working capital requirements in the ordinary course of business from banks and internal accruals. Our "Working Capital Loans" are our Cash credit

facility, Bank overdraft, Buyer's credit, Trust receipts (National Bank of Fujairah) and working capital demand loan in current borrowings. As of December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, we had total outstanding Working Capital Loans aggregating to ₹684.70 million, ₹648.37 million, ₹788.22 million and ₹556.95 million respectively. In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our working capital as a percentage of total assets on a consolidated basis was 13.26%, 12.52%, 15.14% and 13.48%, respectively. We expect to continue to fund our working capital requirements in the future from cash generated from operations and from working capital loans; however, our inability to meet our working capital requirements through cash from our operations or borrowings, as the case may be, could have a material adverse effect on our business, results of operations and financial condition.

The objects of the Offer include funding working capital requirements of our Material Subsidiaries, RSSPL and CEF, which are based on management estimates and certain assumptions in relation to inter alia trade payables and inventory in the future. For details, see "Objects of the Issue" on page 88. Our Company intends to use ₹600 million from the Net Proceeds to fund RSSPL and CEF, which will be in-turn utilized by them towards meeting the additional working capital requirements arising from growth of their business. The working capital requirements may be subject to change due to factors beyond our control including force majeure conditions, an increase in defaults by our customers, availability of funding from banks or financial institutions. Accordingly, such working capital requirements may not be indicative of the actual requirements of RSSPL and CEF in the future and investors are advised to not place undue reliance on such estimates of future working capital requirements.

As we pursue our growth plan, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our working capital in the future. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations. Any issuance of equity, on the other hand, could result in a dilution of your shareholding. Accordingly, continued increases in our working capital requirements may have an adverse effect on our financial condition, cash flows and results of operations. In addition, if we experience insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see "*Financial Indebtedness*" on page 351.

8. Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition.

Our components and raw materials are subject to supply disruptions and price volatility caused by various factors such as commodity market fluctuations, currency fluctuations, customer demand, changes in government policies and regulatory sanctions. In connection with our manufacturing and our wastewater treatment systems and plants, we purchase pumps, electrical instrumentation, panel assemblies, cabinets, tubes, pipes, steel, aluminium, copper, other base metals, cement and certain cleaners and chemicals from third party suppliers both in India and internationally. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated cost of raw materials and components consumed was ₹914.61 million, ₹1,295.39 million, ₹1,679.84 million and ₹1,363.94 million, respectively, which represented 41.48%, 39.23%, 45.09% and 49.05%,, respectively, of our consolidated total expenses. Due to the COVID-19 pandemic during Fiscal 2021 and the nine month period ended December 31, 2021, we have not faced challenges obtaining raw materials, but we have encountered a sharp increase in the prices of components and raw materials and shipping freight both inward and outward in the second half of Fiscal 2021 and the nine month period ended December 31, 2021. Increases in prices of raw materials could continue to have a material adverse effect on our business, results of operations and financial condition.

We rely on a number of suppliers for our components, materials and stock-in-trade which are an integral part of our wastewater treatment systems, plants and products. In nine month period ended December 31, 2021, we utilized 708 suppliers for our components, materials and stock-in-trade. Further, some of such suppliers are the sole sources for procuring such components. We do not have any long term contracts with our third-party suppliers. Prices are

negotiated for each purchase order and we generally have more than one supplier for each component or raw material. The terms and conditions including the return policy are set forth in the purchase orders. However, our suppliers may be unable to provide us with a sufficient quantity of raw materials, at prices acceptable to us, for us to meet the demand for our products. We are also subject to the risk that one or more of our existing suppliers may discontinue their operations, which may adversely affect our ability to source raw materials at a competitive price. Any increase in component or raw material prices may result in corresponding increases in our product costs. A failure to maintain our required supply of raw materials, and any inability on our part to find alternate sources for the procurement of such raw materials, on acceptable terms, could adversely affect our ability to deliver our wastewater treatment systems and plants, modules and spare parts to customers in an efficient, reliable and timely manner, and adversely affect our business, results of operations and financial condition.

Given our reliance on our suppliers, if any one of our suppliers is unable to deliver the components, materials, stock-in-trade or customer support services in a timely manner, or at all, or meet our design or quality specifications, we may be unable to meet our product and service delivery timelines until such supplier is replaced. Delayed supplies from our suppliers may in turn result in delayed deliveries by us to our customers and we may incur liquidated damages. We have incurred such liquidated damages in the past due to delay in supply of pumps and pump spares by our suppliers; however, these damages have not had a material adverse effect on our results of operations or financial condition. There can be no assurance that we will be able to maintain strategic relationships with our suppliers or diversify our supplier base. Further, our suppliers may enter into exclusive arrangements with our competitors and we may be unable to obtain alternative sources for our components at commercially reasonable prices, or at all or enter into alternative arrangements with other manufacturing partners.

9. We are dependent on and derive a substantial portion of our revenue from a limited number of customers. Cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. We also have a number of Government Customers which exposes us to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.

We are dependent on a limited number of private and public customers and projects. Our revenue and Order Book are concentrated with, and we are dependent on, a limited number of customers and projects. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top ten customers accounted for 59.88%, 44.38%, 63.63% and 56.41% of our systems and plants revenue, respectively; for 44.98%, 37.49% 41.93% and 39.76% of our consolidated operating and maintenance revenue, respectively; and for 50.38%, 38.46%, 47.25% and 50.96% of our consolidated spare parts revenue, respectively. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top five customers accounted for 41.98%, 31.83%, 44.41% and 39.16% of our consolidated systems and plants revenue, respectively; for 31.61%, 24.56%, 29.15% and 26.12% of our consolidated operating and maintenance revenue, respectively; and for 34.49%, 24.42%, 32.95% and 36.95%of our spare parts revenue, respectively. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our largest customer accounted for 13.20%, 8.61%, 12.51% and 15.98% of our consolidated systems and plants revenue, respectively; for 9.44%, 8.94%, 9.88% and 9.09% of our consolidated operating and maintenance revenue, respectively; and for 12.85%, 6.11%, 12.01% and 20.24% of our consolidated spare parts revenue, respectively. We expect that in the future a limited number of customers will continue to comprise a significant percentage of our operating revenue. Consequently, if we are unable to expand our sales volumes to existing customers, maintain our relationship with our key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, cancellation by customers or delay or reduction in their orders or delay in payments could have a material adverse effect on our business, results of operations and financial condition. Further, where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. In addition, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

In addition, we sell our products and services to GoI agencies and State governments agencies and companies (together, "**Government Customers**"). In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, Government Customers accounted for 5.65%, 7.78%, 2.40% and 7.80% of our consolidated systems and plants revenue, respectively; for 4.98%, 4.58%, 11.58% and 7.05% of our consolidated operating and maintenance revenue, respectively; and for 21.13%, 19.12%, 7.15% and 5.40% of our consolidated spare parts revenue, respectively. Our business with Government Customers, exposes us to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- participation in contracts with Government Customers could subject us to stricter regulatory and testing requirements which may increase our compliance costs;
- execution of the detailed definitive documentation and agreements with Government Customers may take a significant amount of time and cause delays;
- delays in project implementation and key initiatives where we have invested significant costs; and
- delays in payment due to the time taken to complete internal processes of Government Customers.

Further, we currently sell most of our modules through non-exclusive arrangements with two customers which resell our modules in China and Europe, respectively. We have no master agreements with these resellers and enter into specific orders based on which supplies are made. During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our sales to these two resellers constituted almost 100% of our module sales. If these resellers reduce or discontinue sales of our modules, our business, results of operations and financial condition could be adversely affected.

10. There are entities in India with a name similar to ours that are unrelated to our Company. Any failure to differentiate between our Company and other unrelated entities may have an adverse effect on our business, results of operations and financial condition

There are entities in India with a name similar to ours that are unrelated to our Company and our group. Our Company name is not currently registered as our tradename, and we may not be entitled to tradename protection with respect to our Company name. Further, similar names may create confusion among our suppliers and customers and other third parties important to our business. If we fail to differentiate between our Company and such other unrelated entities could adversely affect our brand, business, results of operations and financial condition.

11. We propose to prepay or repay all or a portion of certain outstanding borrowings availed by our Subsidiaries, Rochem Separation Systems (India) Private Limited ("RSSPL"), Blue Water Technologies ("BWT") and Concord Enviro FZE ("CEF").

Our Subsidiaries, RSSPL, BWT and CEF, have entered various borrowing arrangements with banks and financial institutions including borrowings in the form of working capital facilities, term loans and cash credit facilities. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 351. As at May 31, 2022, we had total outstanding borrowings of ₹1,589.41 million.

Our Company intends to utilize an estimated amount of ₹665 million from the Net Proceeds towards repayment or prepayment of all or a portion of certain outstanding borrowings availed by RSSPL, BWT and CEF. The investment by our Company in RSSPL, BWT and CEF is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that such repayment or prepayment will help reduce the outstanding indebtedness of our Subsidiaries RSSPL, BWT and CEF and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities. However, no assurance can be made that RSSPL, BWT and CEF will not require further funding and that such funding will be available at attractive rates or that by repaying the borrowing of RSSPL and CEF, will in fact improve our available funding alternatives.

The selection of borrowings proposed to be prepaid or repaid amongst the borrowing arrangements availed by our Subsidiaries will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan. No assurance can be made that we select the most attractive prepayment or repayment opportunities.

12. We could incur losses under our rental agreements with our customers or be subjected to disputes or contractual penalties as a result of failures to meet contract specifications which may have a material adverse effect on our business, results of operations and financial condition.

We provide our solutions as a service to customers under our "pay per use/pay as you treat" where we offer our systems and plants on a rental basis so that customers are able to avoid large capital expenditures. Under this model, we install tailored wastewater reuse solutions and then operate and maintain the systems and plant including spare parts.

Customers contract with us to treat and recycle their wastewater on the payment of a fixed fee and variable fee linked to the quantity of water recycled for them. These services are provided in cooperation with our joint venture, Roserve Enviro Private Limited.

Our rental agreements are usually for a term of few months to seven years, subject to renewal. We incur substantial upfront costs in designing, manufacturing and installing systems and plants for our rental customers. If our rental agreements are not renewed or are terminated early for any reason, we may incur a loss in respect of that particular customer, which may have an adverse impact on our business, results of operations and financial condition. In addition, even though our systems and plants remain our property under the rental agreements, if these systems and plants are returned to us due to the end of a rental agreement for any reason, such systems and plants may not be suitable for other customers and we may have to write-off their undepreciated value and incur a loss therefrom.

In addition, our rental agreements with our customers provide for penalties for our failure to provide the recycled wastewater as provided in the contract. In the past, there have been instances of breach including lower water recovery and higher downtime. There can be no assurance that our customers in future will not rescind their contracts with us if there is a material breach by us or we may need to renegotiate some of our customer contracts. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of penalties and renegotiation of terms of our rental agreements could also have an adverse impact on our business, results of operations and financial condition.

Further, the rental fees that we received under our agreements are linked to the quantity of water recycled for them. If we underestimate our costs and expenses under the contract or our costs and expenses increase due to inflation or factors beyond our control, our agreements may not be profitable and our business, results of operations and financial condition could be adversely affected.

In addition, if our customers damage the leased plants and systems, we may incur losses to the extent that such damage is not covered by our insurance and to the extent that these assets are no longer able to generate revenue.

13. We operate in a competitive environment and may not be able to effectively compete which could have a material adverse effect on our business, results of operations and financial condition.

The market wherein we operate is competitive, rapidly evolving and is characterized by frequent introductions of new and improved wastewater treatment solutions, applications and technologies. We expect competition to persist and intensify in the future as the market wherein we operate is constantly evolving and growing with new and existing competitors devote considerable resources to introducing and enhancing products and services. Accordingly, our ability to grow our business in accordance with our strategy will depend on our ability to introduce new products, adapt to new technologies, respond to pricing strategies by competitors, redevelop our brand, execute agreements with technology partners, improve our manufacturing capabilities and technology and develop intellectual property.

Our competitors may devote greater resources to the development, promotion and sale of their products than we do. They may have lower costs and be able to withstand lower prices better in order to gain market share. They may be more diversified than we are and better able to leverage their other businesses, products and services to be able to accept lower returns and gain market share. In addition, our competitors may have greater engineering, technical, manufacturing, research and development, sales, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can.

To remain competitive, we must continue to invest significant resources in modernisation, research and development, manufacturing, sales and marketing and customer support. We cannot be sure that we will have sufficient resources to make these investments or that we will be able to make the technological advances necessary to be competitive. Failure to compete successfully against current or future competitors could have a material adverse effect on our business, results of operations and financial condition.

14. The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.

In December 2019, a human infection was traced to a novel strain of coronavirus (also known as COVID-19) and has since spread to over 200 countries and territories. The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and rapidly evolving. The GoI initiated a nation-wide lockdown from March 24, 2020 that lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local administrations. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020 in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021. In June 2021, the COVID-19

reported cases from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures. In 2022, the reported cases of COVID-19 increased and new variants of COVID-19 like Omicron and Delta continued to emerge.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortage, logistics disruptions and reduced demand. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. Any downturn in the macroeconomic environment in India and internationally could also adversely affect our business, results of operations and financial condition.

Our manufacturing has been impacted during the COVID -19 pandemic as set forth below.

- We were required to shut down our manufacturing activities and operations in India during the nationwide lockdown. We were required to shut down our Indian manufacturing activities and operations in Mumbai from March 23, 2020. Our Mumbai operations resumed phased operations from April 7, 2020. Our corporate office resumed phased operations from June 8, 2020. Our Sharjah manufacturing operations continued to operate, but our staff strength was considerably reduced during the period March 24, 2020 to June 6, 2020. Accordingly, our operations have been materially affected by the COVID-19 pandemic. Any future restrictions on our workforce's access to meet customer orders may have a material adverse effect on our business, results of operations and financial condition.

- With the partial and gradual easing of the lockdown, we experienced overall lower demand for our systems and plants during the first and second quarter of Fiscal 2021. We experienced improved business conditions and improved financial results in the third and fourth quarters of Fiscal 2021. Due to second wave in India, in the first quarter of Fiscal 2022, we again experienced lower demand for our systems and plants but not as pronounced as the decline in the first quarter of Fiscal 2021. As the impact of the second wave lessened, of the remainder of Fiscal 2022 was not impacted by the pandemic.

- We rely on many suppliers for components and raw materials. During Fiscal 2021 and the nine month period ended December 31, 2021, we have not faced challenges obtaining raw materials, but we encountered a sharp increase in the prices of components and raw materials and shipping freight both inward and outward in the second half of Fiscal 2021 and the nine month period ended December 31, 2021. Increases in prices of raw materials could continue to have a material adverse effect on our business, results of operations and financial condition. In addition, global logistics disruptions have resulted in an increase in our freights and logistics costs and may continue to do so.

- Due to COVID-19 lockdowns, the majority of our management and administrative employees worked from their homes remotely which introduced cybersecurity risks.

- The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in lower revenue from foreign currency payments.

The extent to which the COVID-19 pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our wastewater treatment business. To the extent that the COVID-19 pandemic adversely affects our business and operations, it may also have the effect of heightening many of the other risks described in this section.

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

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

- Add new capacity for membrane and membrane module manufacturing;
- Use IoT to drive growth;
- Expand into new industrial sectors for wastewater reuse and zero liquid discharge;
- Expand across geographies;
- Continue to grow our module sales business;
- Cross sell new products to existing customers; and
- Grow our "pay per use/pay as you treat" business model.

The aforesaid strategies are subject to certain risks and uncertainties. Our strategies may not succeed due to various factors, many of which are beyond our control, including our inability to reduce our debt and our operating costs, our failure to develop new wastewater treatment systems, plants and products with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology and strategic partners, our failure to effectively market our new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, automation, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategies and customer demand, changes in GoI and U.A.E. laws and regulations, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition. Further, for any reason, in the event the benefits we realize are less than our estimates or the implementation of these strategies and operating plans adversely affect our operations or cost more or take longer to effectuate than we expect, or if our assumptions prove inaccurate, our results of operations may be materially adversely affected. For further details of our strategies, see "*Our Business-Our Strategies*" on page 160.

16. We are dependent upon the experience and skill of our management team and a number of key managerial personnel. If we are unable to attract or retain such qualified personnel, this could adversely affect our business, results of operations and financial condition.

We are dependent on a highly qualified, experienced and capable management team for setting our strategic business direction and managing our business. Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain experienced, talented and skilled professionals. Without a sufficient number of skilled employees, our operations and manufacturing quality could suffer. Our management team is also critical to the success of our investment in our Subsidiary, CEF, in relation to financing the construction of the Assembly Unit in the Sharjah International Airport Free Zone in accordance with the "*Objects of the Offer*" on page 88. Competition for qualified technical personnel as well as sales personnel with established customer relationships is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Our Company's has had no KMP attrition in the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019. The loss of the services of our key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new systems, plants or products, we will need to continue to attract and retain experienced management, R&D and sales personnel. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees. There can be no assurance that our competitors will not offer better compensation packages, incentives and other perquisites to such skilled personnel. Further, as on the date of this Draft Red Herring Prospectus, we do not have key man insurance policies. In the event that we are not able to attract and retain talented employees as required for conducting our business, or if we experience high attrition levels which are largely out of our control, or if we are unable to motivate and retain existing employees, our business, results of operations and financial condition may be adversely affected. For further information, see "*Our Management*" on page 193.

17. Our inability to collect receivables and default in payment from our customers could result in the reduction of our profits and affect our cash flows.

The majority of our sales are to customers on an open credit basis, with standard payment terms of generally between 90 to 120 days. While we generally monitor the ability of our customers to pay these open credit arrangements and limit the credit we extend to what we believe is reasonable based on an evaluation of each customer's financial

condition and payment history, we may still experience losses because of a customer being unable to pay. As a result, while we maintain what we believe to be a reasonable allowance for doubtful receivables for potential credit losses based upon our historical trends and other available information, there is a risk that our estimates may not be accurate. As at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, our trade receivables were ₹1,094.12 million, ₹1,520.96 million, ₹1,484.07 million and ₹1,268.30 million, respectively, and our receivable turnover days were 135 days (annualised), 160 days, 141 days and 156 days, respectively, in the same periods. Any increase in our receivable turnover days will negatively affect our business. We have initiated legal recovery processes against certain defaulting customers. Our subsidiary RSSPL has filed a summary suit in the Bombay City Civil Court (Dindoshi Branch) against Chairman Processors Limited seeking recovery of dues amounting to ₹2.52 million with interest thereon. For more details on litigation initiated against customers, see "*Outstanding Litigation and Material Developments- Other pending material litigation involving our Subsidiaries*" on pages 357 and 358. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 our provisions for net impairment losses on financial assets were ₹19.16 million, ₹24.45 million, ₹18.26 million and ₹(0.45) million. If we are unable to collect customer receivables or if the provisions for doubtful receivables are inadequate, it could have a material adverse effect on our business, results of operations and financial condition.

Macroeconomic conditions could also result in financial difficulties, including insolvency or bankruptcy, for our customers, and as a result could cause customers to delay payments to us, request modifications to their payment arrangements, that could increase our receivables or affect our working capital requirements, or default on their payment obligations to us. Although we have not experienced any increase in our bad debts in the past three financial years or the nine month period ended December 31, 2021, an increase in bad debts or in defaults by our customer, may compel us to utilize greater amounts of our operating working capital and result in increased interest costs, thereby adversely affecting our results of operations and cash flows.

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

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

19. We could incur losses under our purchase orders and contracts with our customers or be subjected to disputes or contractual penalties as a result of cost overruns, delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, results of operations and financial condition.

Our purchase orders and contracts for our wastewater treatment systems and plants provide for liquidated damages for late delivery of our products and/or services and our operating and maintenance contracts provide for performance penalties. In the past, there have been instances of time overruns, due to which we have been required to re-negotiate some of the terms, such as date of delivery of our purchase orders and customer contracts due to a delay in delivery (owing to a combination of internal as well as external factors beyond our control). There can be no assurance that our customers in future will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or we may need to renegotiate some of our customer contracts. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of liquidated damages and renegotiation of terms of purchase orders/ contracts could also have an adverse impact on our financial position and cash flows.

20. Our Joint Ventures are not wholly owned by us and present risks that our joint venture partners will fail to meet their obligations or that we will have conflicts with our joint venture partners.

Our Joint Ventures, WHE Systems FZC and Roserve Enviro Private Limited, are not wholly owned by us. There are specific risks applicable to the failure to control activities of joint ventures and these risks, in turn, add potential risks to us. Such risks include greater risk of joint venture partners failing to meet their obligations under related joint ventures or other agreements, conflicts with joint venture partners, the possibility of a joint venture partner taking valuable knowledge from us and the inability of a joint venture company to access the capital markets, which could lead to resource demands on us in order to maintain or advance our strategy.

21. We require various regulatory approvals and licenses for the purpose of our business. Our inability to obtain, maintain or renew such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, or maintaining

the required filings and registers under such required laws, may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business and also to maintain registers and updated filings under various provisions of law. Further, certain approvals, licenses and permits are valid for a certain period and are required to be renewed at regular intervals in accordance to the timelines prescribed under the relevant statues or as may be provided under the terms of such approvals, licenses and/or permits. We have not had any such lapsed or pending approvals in the past three financial years or the nine month period ended December 31, 2021. We need to apply for certain approvals, including the renewal of approvals that expire from time to time, in the ordinary course of our business. Any inability to receive or ability to renew such approvals in the time frames prescribed under law or as may be required for the purpose of the business or not maintaining the required registers or updated filings, could adversely affect our business and result in closure of manufacturing facilities and/or the application of penalties. If we do not obtain, renew or maintain the regulatory approvals required to operate our business, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

Further, the approvals required by our Company are subject to certain conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with terms or condition thereof, or pursuant to any regulatory action.

For details of applicable regulations and approvals relating to our business and operations, as well as pending approvals, see "*Government and Other Approvals*" on page 361.

22. There is pending litigation against our Company, Promoters, Subsidiaries and certain of our Directors. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business, results of operations and financial condition.

Certain legal proceedings involving our Company, Promoters, Subsidiaries and certain of our Directors are pending at different levels of adjudication before various courts, tribunals and authorities. In the event of adverse rulings in these proceedings or consequent levy of penalties, we may need to make payments or make provisions for future payments and which may increase expenses and current or contingent liabilities.

A summary of outstanding litigation proceedings involving our Company, our Subsidiaries, our Group Companies, our Promoters and our Directors as on the date of this Draft Red Herring Prospectus as disclosed in the section titled "*Outstanding Litigation and Material Developments*" in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
Company						
By the Company	Nil	Nil	Nil	Nil	Nil	Nil
Against the Company	Nil	1	Nil	Nil	1	1.05
Directors (other than Promoters)						
By the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Against the Directors	Nil	Nil	Nil	Nil	Nil	Nil
Promoters						
By the Promoters	Nil	Nil	Nil	Nil	Nil	Nil
Against the Promoters	1	Nil	Nil	Nil	Nil	1.14
Subsidiaries						
By the Subsidiaries	Nil	Nil	Nil	Nil	7	362.63
Against the Subsidiaries	Nil	5	Nil	Nil	5	466.54
Group Companies						
Litigation involving our Group Companies which may have	Nil	Nil	Nil	Nil	Nil	Nil

Name of Entity	Criminal Proceedings	Tax Proceedings	Statutory or Regulatory Proceedings	Disciplinary actions by the SEBI or Stock Exchanges against our Promoters	Material Civil Litigations	Aggregate amount involved *(₹ in million) (to the extent quantifiable)*
a material impact on our Company						

For further information, see "*Outstanding Litigation and Material Developments*" on page 354.

We cannot assure you that any of the outstanding litigation matters will be settled in our favour, or that no (additional) liability will arise out of these proceedings. Our Company is in the process of litigating these matters, and based on the assessment in accordance with applicable accounting standard, our Company has presently not made provision for any of the pending legal proceedings. Further, such proceedings could divert management time and attention, and consume financial resources in their defence. In addition to the foregoing, we could also be adversely affected by complaints, claims or legal actions brought by persons, before various forums such as courts, tribunals, consumer forums or sector-specific or other regulatory authorities in the ordinary course or otherwise, in relation to our products and services, our technology and/or intellectual property, our branding or marketing efforts or campaigns or our policies or any other acts/omissions. Further, we may be subject to legal action by our employees and/or ex-employees in relation to alleged grievances such as termination of their employment with the Company. There can be no assurance that such complaints or claims will not result in investigations, enquiries or legal actions by any courts, tribunals or regulatory authorities against us.

23. We face foreign exchange risks that could adversely affect our results of operations as a portion of our revenue and expenditure is denominated in foreign currencies.

We have material exposure to foreign exchange related risks since a portion of our consolidated revenue from operations are in foreign currency, including the US Dollar and the Euro. During the nine month period ended December 31, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue outside India were ₹451.09 million, ₹887.13 million, ₹1,326.52 million and ₹434.41 million, respectively, and our consolidated revenue outside India as a percentage of consolidated revenue from operations were 20.56%, 25.52%, 34.62% and 14.59%, respectively, during the same periods. Similarly, a portion of our expenses, including our operational expenses for our operations in Sharjah U.A.E., cost of any imported raw material and other operating expenses as well as certain of our capital expenditure on equipment imported are denominated in US Dollar, U.A.E. dirham and other foreign currencies. The exchange rate between the Indian Rupee and foreign currencies, primarily the USD, has fluctuated in the past and our results of operations have been impacted by such fluctuations in the past and may be impacted by such fluctuations in the future. For example, during times of strengthening of the Indian Rupee, we expect that our overseas sales and revenue will generally be negatively impacted as foreign currency received will be translated into fewer Indian Rupees. However, the converse positive effect of depreciation in the Indian Rupee may not be sustained or may not show an appreciable impact in our results of operations in any given financial period due to other variables impacting our business and results of operations during the same period. Accordingly, any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences in accordance with accounting standards.

While we seek to pass on all losses on account of foreign currency fluctuations to our customers, our ability to foresee future foreign currency fluctuations is limited. Further, due to the time gap between the accounting of purchases and actual payments, the foreign exchange rate at which the purchase is recorded in the books of accounts may vary with the foreign exchange rate at which the payment is made, thereby benefiting or affecting us negatively, depending on the appreciation or depreciation of the Rupee. We may, therefore, be exposed to risks arising from exchange rate fluctuations and we may not be able to pass on all losses on account of foreign currency fluctuations to our customers, and as a result, suffer losses on account of foreign currency fluctuations. There is no guarantee that we may be able to manage our foreign currency risk effectively or mitigate exchange exposures, at all times and our inability may harm our results of operations and cause our results to fluctuate and/or decline. Further, certain markets in which we sell our products may be subject to foreign exchange repatriation and exchange control risks, which may result in either delayed recovery or even non-realization of revenue. In addition, the policies of the RBI may also change from time to time, which may limit our ability to effectively hedge our foreign currency exposures and may have an adverse effect on our results of operations and cash flows. Further, we have entered into any hedging arrangements, such as, forward exchange contracts, to hedge payments under our foreign currency borrowings or foreign currency payables. Accordingly, any action that we may take and any amounts that we spend or invest in order to hedge the risks to our business due to fluctuations in currencies may not adequately hedge against any losses and we cannot assure you of the sufficiency of these procedures or whether the procedures we have in place will be successful in managing our foreign currency exposure. For details of a sensitivity analysis for a change in foreign currency rates, see "*Financial Statements – Note 46: Financial Risk Management Objectives and Policies*" on page 266.

24. We are dependent on the recurring revenue from our operating and maintenance agreements. Cancellations of our operating and maintenance agreements may adversely affect our business, financial condition, results of operations and prospects.

We are dependent on the recurring revenue from our operating and maintenance agreements. In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue from our operating and maintenance business were ₹617.13 million, ₹841.19 million, ₹924.79 million and ₹873.22 million, respectively, which represented 28.13%, 24.20%, 24.13% and 29.34% of our consolidated revenue from operations, respectively. In Fiscal 2022, we provided O&M services to approximately 60% of our client base, developing long-term relationships and creating value for customers. *(Source: F&S Report, June 2022).* Most of our agreements are for terms of one to three years. As our O&M agreements expire, we must renew or renegotiate the contracts, and if we are unable to renew or renegotiate them on acceptable terms, we may lose our revenue from that customer. Our inability to renew or renegotiate license agreements with our existing O&M customers may materially and adversely affect our business, results of operations and financial condition. In addition, the pricing models and rates that we charge our customers may change as a result of various reasons beyond our control, such as changes in our bargaining power, changes in the industry, or changes in the law or regulatory environment. If our customers are no longer willing to contract with us on terms acceptable to us, our business, results of operations and financial condition may be adversely affected.

25. Our inability to maintain, protect and enforce our intellectual property rights, could adversely affect our business, results of operations and financial condition. Further, if our products were found to be infringing on the intellectual property rights of a third-party, we could be required to cease selling the infringing products, causing us to lose future sales revenue from such products and face substantial liabilities for patent infringement.

We rely on a combination of trademark, patent, trade secret, and copyright law and contractual restrictions to protect our intellectual property. We have applied for certain registrations in connection with the protection of our intellectual property relating to our tradenames, trademarks and patents. Our applications and registrations may in the future be opposed, withdrawn, objected or are otherwise under dispute. If any of our unregistered intellectual property are registered in favour of a third party, we may not be able to claim registered ownership of such intellectual property, and consequently, we may be unable to seek remedies for infringement of intellectual property by third parties. Our inability to obtain or maintain these registrations may adversely affect our business, results of operations and financial condition. We have currently applied for three new patents for which patents have not yet been granted.

Our agreements with our employees and consultants who develop our products on our behalf include confidentiality provisions and provisions on ownership of intellectual property developed during employment or specific assignments; however, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, our intellectual property including our proprietary products, technology, systems and processes and may not provide an adequate remedy in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. Despite our efforts to protect our proprietary rights, unauthorized parties may copy aspects of our proprietary products, technology, systems and processes and use information that we consider proprietary. In addition, unauthorized parties may also attempt, or successfully endeavour, to obtain our intellectual property, confidential information, and trade secrets through various methods, including through cybersecurity attacks, and legal or other methods of protecting this data may be inadequate. For example, we had breach of data stored on cloud servers in Fiscal 2018, but which had no adverse financial effect on our business. In addition, our trade secrets may become known or independently developed by our competitors, and in such cases, we may no longer enjoy the exclusive use of some of our formulations or maintain the confidentiality of information relating to our products.

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

In the past, there has been an opposition to the registration of the trademark for our corporate logo. We have filed an application to register our current corporate logo. Any objection, opposition or refusal to register our corporate logo could adversely affect our brand, business, results of operations and financial condition. For details see "*Outstanding Litigation and Material Developments- Other pending material litigation involving our Subsidiaries*" on page 355.

26. Our contingent liabilities could materially and adversely affect our business, results of operations and financial condition.

As of December 31, 2021, we had contingent liabilities on a consolidated basis that have not been provided for, amounting to ₹455.96 million. The table below sets forth details of contingent liabilities:

Particulars	As of December 31, 2021 (₹ millions)
Sales tax / VAT	5.63
Service Tax	10.37
Income tax	2.17
Customs	0.11
Bank Guarantees	177.78
Corporate guarantees	259.90
Total	**455.96**

Most of the liabilities have been incurred in the normal course of business. If these contingent liabilities were to fully materialize or materialize at a level higher than we expect, it may materially and adversely impact our business, results of operations and financial condition. If we are unable to recover payment from our customers in respect of the commitments that we are called upon to fulfil, our business, results of operations and financial condition may be materially and adversely impacted. For further information, see "*Financial Statements, note 3.18*" on page 242.

27. Our international operations are subject to regulatory risks that could adversely affect our business, results of operations and financial condition.

In the nine month period ended December 31, 2021 and in Fiscal 2021, we exported our products and delivered our services to over 18 countries in Asia, North Africa, Latin America and Europe. During the nine month period ended December 31, 2021 and during Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue outside India were ₹451.09 million, ₹887.13 million, ₹1,326.52 million and ₹434.41 million, respectively, and our consolidated revenue outside India as a percentage of consolidated revenue from operations were 20.56%, 25.52%, 34.62% and 14.59%, respectively, during the same periods. Our international operations are subject to risks that are specific to each country and region in which we operate, as well as risks associated with international operations, in general. These risks include complying with changes in foreign laws, regulations and policies, including restrictions on trade, import and export license requirements, and tariffs and taxes, intellectual property enforcement issues and changes in foreign trade and investment policies. Any developments in the industries in which our customers operate could have an impact on our international business revenue. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we operate or seek to sell our products.

28. Our business may be adversely affected if we are unable to maintain and grow our brand image. In particular, our failure to maintain our quality accreditations and certifications may negatively impact our brand and reputation.

Our brand in respect of our wastewater treatment business is one of our most important assets, and we believe our brand and reputation are significant in attracting customers to our products and services. We also believe that continuing to develop our reputation and awareness of our brand, through focused and consistent business development initiatives, among our customers is important for our ability to increase our sales volumes and our revenue, grow our existing market share and expand into new markets.

Although we take many steps to increase awareness of our wastewater treatment systems, plants and products and protect the value of our brand through marketing and promotion, our business is dependent on customers' perception of our reputation and brand and these marketing campaigns. Although we have not had instances in the past three financial years or the nine month period ended December 31, 2021, if we adopt unsuccessful marketing programs or are otherwise unable to maintain our customer relationships, we may only incur expenses without the benefit of higher revenue. Our competitors also may launch promotional activities, which may increase their brand visibility and we may not be able to match them. Further, we may not be able to invest adequately in marketing or customer engagement which could lead to loss of customers to competitors. If we fail to preserve the value of our brands, maintain our reputation, or attract consumers to our wastewater treatment products, or provide good after-sale services to our customers, our business, results of operations and financial condition could be adversely impacted. In addition, our failure in maintaining our quality accreditations and certifications may negatively impact our brand and reputation.

Further, our reputation and brands could be damaged by negative publicity in traditional or social media or by claims or perceptions about the quality of our systems, plants or products, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation, regulatory actions or negative publicity, whether isolated or recurring and whether originating from us or otherwise, affecting our business or suppliers, can significantly reduce our brand value and consumer trust, and accordingly, adversely affect our business, results of operations and financial condition.

29. Water reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services and products. If we are unable to keep abreast of the technological changes and new product introductions, our business, results of operations and financial condition may be adversely affected.

Water reuse and zero liquid discharge technology is subject to rapid change. These changes may affect the demand for our services and products. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products and services that address technological changes as well as current and potential customer requirements and changing market trends. New products based on new or improved technologies may render existing products obsolete. In addition, a slowdown in demand for our existing products could result in a write-down in the value of inventory on hand related to existing products and/or a charge for the impairment of long-lived assets related to such products. If our customers defer or cancel orders for existing products and services in the expectation of changes in the market, regulatory requirements or a new product release or if there is any delay in development or introduction of our new products and services or enhancements of our products and services, our business, results of operations and financial condition would be adversely affected.

As part of our strategy and to cater to the changing customer preferences and market trends, we have introduced various new products and services for water reuse, ZLD and desalination solutions in recent years. However, there is possibility that we may miss a market opportunity because we failed to invest, or invested too late, or were unable to enter into an arrangement with a technology partner, in a technology product or enhancement sought by our customers.

Changes in market demand or investment priorities may also cause us to discontinue existing or planned development for new products or services, which can have an adverse effect on our relationships with customers. If we fail to make the right investments or fail to make them at the right time or our failure to manage the introduction of new products and services in line with our strategy and as per the changing customer preferences and market trends could have a material adverse effect on our business, results of operations and financial condition.

30. Changes in government policies related to the environment and water treatment, in particular, may adversely affect our business, financial condition and results of operations.

Environmental protection policies, legislation and regulation greatly influences our customers expenditures on our water reuse and ZLD solutions and are subject to change due to changing political, social and economic factors. The policies and attitudes as well as legislative and regulatory agendas vary from country to country and region to region. Legislative and regulatory changes in connection with the environment, water supplies and water treatment and discharge may change the demand for our products and services and could have a material adverse impact on our business, financial condition and results of operations.

31. We are dependent on project awards which are subject to cancellation and changes in scope of services and for which cost over-runs and delays may adversely affect our business, results of operations and financial condition.

We participate in projects from time to time that are awarded on the basis of tenders. The timing of when project awards will be awarded is unpredictable and outside of our control. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors. Because a portion of our revenue are generated from the award of such projects, our results of operations can fluctuate over fiscal years and quarters, depending on whether and when project awards occur and the commencement and progress of work under such awarded contracts. Hence, there is a risk that revenue may not be derived from awarded projects as quickly as anticipated. Also, any cancellation or suspension of an order by a customer may also affect our business, results of operations and financial condition. For further information on these projects and our Order Book, see "Our Business - Order Book" on page 166.

32. Our business may expose us to potential warranty claims, product recalls and returns, which could adversely affect our results operations, goodwill and the marketability of our products.

We may be exposed to risks of warranty claims, products recalls and returns. Our products are subject to a one year to two years warranty against manufacturing defects. In the event of claimed defect, our practice is to repair the product. Although we secure back-to-back warranties from our component suppliers, any defects in the Company's products could adversely affect demand for our products and designs and could also result in customer claims for damages. In defending such claims, the Company could incur substantial costs and be subject to adverse publicity. Defects in our products or designs may also result in product recalls. We do not have insurance coverage for product recalls.

If we are unable to deliver reliable and high-quality systems, plants and products or timely resolve any issues relating to our products and services, confidence in our business could be undermined and we may be unable to expand or maintain our customer base and market share. We may incur additional expenses for resolving errors, providing damages for the defects or delays, extending warranties, increasing insurance coverage, obsolescence of inventory and

defective products. For example, in the recent past due to a weld failure, we had to replace a section of a plant that we had installed for a pharmaceutical customer in north India. In addition, we may have to divert significant research and development efforts to resolve such defects. Our customers may also bring legal actions against us, which could expose us to additional liabilities. Further, we may also be unable to realise any results from our research and development efforts undertaken to develop those products and recognise any revenue from the sales of those products in a timely manner, or at all. If any of these eventualities materialise, our reputation, business, results of operations and financial condition could be materially and adversely affected.

In addition, we may be exposed to potential product liability claims, and the severity and timing of such claims are unpredictable. We face the risk of loss resulting from, and the adverse publicity associated with, product liability lawsuits, whether or not such claims are valid. We may also be subject to claims resulting from manufacturing defects or negligence which may lead to the deterioration of our products. Product liability claims, regardless of their merits or the ultimate success of the defence against them, are expensive. Even unsuccessful product liability claims would likely require us to incur substantial amounts on litigation and require our management's time and focus. Accordingly, such product liability claims, may adversely affect our results of operations, goodwill and the marketability of our products.

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

During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we incurred cash outflow towards purchase of property, plant and equipment and intangible assets of ₹278.21 million, ₹216.35 million, ₹149.07 million and ₹153.08 million, respectively. A significant amount of our capital expenditure in these periods was aimed at increasing our manufacturing capacities for existing and new products. Our management adopts and implements business strategies that take into account a number of macro and micro economic considerations, including our current financial condition and expected levels of growth over the medium to long term. In addition, we expect to increase our expenditure from the objects of the issue. For further information, see "*Objects of the Offer*" on page 88.

We propose to utilize ₹180.00 million of our Net Proceeds towards investment in our Subsidiary, CEF, to construct an Assembly Unit to assemble systems and plants for treatment of water and wastewater and related membrane modules on land obtained from Sharjah Airport International Free Trade Zone pursuant to a one year lease which automatically renews every year. For further information, see "Objects of the Offer" on page 88. The actual amount and timing of our future capital requirements may differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our products, changes in business plans due to prevailing economic conditions, unanticipated expenses and regulatory changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest costs and require us to comply with additional restrictive covenants in our financing agreements. Additional equity financing could dilute our earnings per Equity Share and your investment in our Company and could adversely impact our future Equity Share price.

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

34. Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval.

Our Company intends to use Net Proceeds raised pursuant to the Fresh Issue in the manner set out in the section titled "*Objects of the Offer*" on page 88. In accordance with Section 13(8) and 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution and such variation is required to be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations.

In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our

business or operations. Our Promoters will be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects of the Offer, at such price, and in such manner, in accordance with our Articles of Association, Companies Act and the SEBI ICDR Regulations.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Net Proceeds, if any, which may adversely affect our business and results of operations.

35. Any surplus production on account of inaccurate forecasting of customer requirements and failure to manage inventory could adversely affect our business, results of operations and financial condition.

Our business depends on our estimate of the demand for our products from customers. As is typical in the manufacturing industry, we maintain a reasonable level of inventories of raw materials, work in progress and finished goods. As of December 31, 2021, March 31, 2021, 2020 and 2019, our total inventories amounted to ₹1,407.87 million, ₹1,177.38 million, ₹1,579.04 million and ₹1,215.23 million, respectively. The table below contains the details of the inventory (days) considered:

Inventory Days [(1)]:

As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
383*	296	289	310

* *annualised*

(1) Our "Inventory Days" are Average inventory / cost of goods sold in the period / year x no. of days in the period / year

However, if we underestimate demand or have inadequate capacity due to which we are unable to meet the demand for our products, we may manufacture fewer quantities of products than required, which could result in the loss of business. Due to the length of time necessary to produce commercial quantities of our products, we make production decisions well in advance of sales. An inaccurate forecast of demand for any product can result in the unavailability/ surplus of our products. While we forecast the demand and price for our products and accordingly, plan our production volumes, any error in our forecast could result in a reduction in our profit margins and surplus stock, which may result in additional storage cost and such surplus stock may not be sold in a timely manner, or at all. If we overestimate demand, we may incur costs to build capacity or purchased more raw materials and manufacture more products than required. Our inability to accurately forecast demand for our products and manage our inventory may have an adverse effect on our business, results of operations and financial condition.

Further, we make significant decisions, including determining the levels of business that we will seek and accept, production schedules, personnel requirements and other resource requirements, based on our estimates of customer orders for our wastewater treatment systems and plants. Changes in demand for our systems and plants, modules and spare parts could make it difficult to schedule production and lead to a mismatch of production and capacity utilization. Any such mismatch leading to over or under utilization of our manufacturing facilities could adversely affect our business, results of operations and financial condition.

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

Our operations are subject to various risks inherent to the installation, operation and maintenance of wastewater treatment systems and plants and the manufacturing of membranes, modules and other products, as well as other risks such as theft, robbery, acts of terrorism and other force majeure events. We maintain insurance coverage for anticipated risks which are standard for our type of business and operations. As of December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, the total amount of our insurance coverage was ₹657.44 million, ₹691.79 million, ₹536.49 million and ₹375.39 million, respectively. The total amount insured and gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) were ₹657.44 million and ₹1,550.04 million, respectively, as of December 31, 2021; ₹691.79 million and ₹1,445.75 million, respectively, as of March 31, 2021; ₹536.49 million and ₹1,050.76 million, respectively, as of March 31, 2020 and ₹375.39 million and ₹832.41 million, respectively, as of March 31, 2019. Consequently, our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was 42.14%, 47.85%, 51.06% and 45.10% as of December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Our insurance policies cover our manufacturing facilities, warehouses and offices from losses in the case of fire, special perils, burglary and theft. We have also obtained a marine cargo open insurance policy for the transport of raw materials to our manufacturing facilities. We have also obtained inventory insurance for our products, insurance for liabilities

and losses incurred during implementation of our various projects, and directors' and officers' liability insurance. There are many events that could significantly impact our operations, or expose us to third-party liabilities, for which we may not be adequately insured. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business, results of operations and financial condition could be adversely affected. For further details of insurance, see "*Our Business*" on page 171.

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

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

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

We transport our finished products by road, sea and air. Pursuant to certain of our arrangements with our customers, based on customer preferences, we are required to pay the freight costs for the wastewater treatment systems and plants as well as the products we sell. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials, we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. This makes us dependent on various intermediaries such as domestic logistics companies. We do not have any long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, results of operations and financial condition. Additionally, if we lose one or more of our third-party transportation providers, we may not be able to obtain terms as favourable as those we receive from the third-party transportation providers that we currently use, which in turn would increase our costs and thereby adversely affect our operating results.

In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated freight, clearing and forwarding expenses were ₹39.87 million, ₹90.38 million, ₹100.01 million and ₹61.36 million, respectively, which represented 1.81 %, 2.74 %, 2.68% and 2.21%, respectively, of our consolidated total expenses. We are subject to the risk of increases in freight costs. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, results of operations and financial condition.

Further, our third-party transportation providers do not carry any insurance coverage and therefore, any losses that may arise during the transportation process will have to be claimed under the Company's insurance policy. There can be no assurance that we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and cash flows.

39. We do not own certain of the premises of our manufacturing facilities and our Registered and Corporate Office, including our proposed Assembly Unit.

We do not own our Registered and Corporate Office in India or the premises of our manufacturing facility and warehouse in India and Sharjah, U.A.E., which are occupied by us on a leasehold basis. Further, we are leasing the land for the Assembly Unit from the Sharjah Airport International Free Trade Zone on a one year lease. While the lease agreements for our manufacturing facilities and proposed Assembly Unit are typically long term in nature and provide us with an option to renew them, they also provide the lessor with the right to terminate the lease for non-

compliance of the terms of the agreement or by serving a without cause termination notice. Termination of our leases may occur for reasons beyond our control, such as breaches of lease agreements by the landlords of our premises which is detrimental to our operations. If we, our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Once we obtain a lease, we incur significant expenses to install necessary furniture, fittings, machinery, lighting, security systems and air conditioning, to ensure such unit is designed in line with our requirements. Relocation of any part of our operations may cause disruptions to our business and may require significant expenditure, and we cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all or we may have to pay significantly higher rent or incur additional expenses towards interiors. Occurrence of any of these factors may materially and adversely affect our business, results of operations and financial condition.

Further, some of our lease deeds for our manufacturing facilities and properties may not be registered and/or may not be adequately stamped and, consequently, may not be accepted as evidence in a court of law and we may be required to pay penalties for inadequate stamp duty. For example, our lease deeds for two of our leasehold plots in Vasai, Maharashtra, are not registered. Further, we may not be able to assess or identify all risks and liabilities associated with any properties, such as faulty or disputed title, unregistered encumbrances or adverse possession rights, improperly executed, unregistered or insufficiently stamped instruments, or other defects of which we may not be aware. Further, there are encumbrances on our manufacturing facilities and office properties in India.

40. Our statutory auditor and previous statutory auditor have included certain qualifications in their statutory audit reports on the previous GAAP financial statements.

Our statutory auditor and previous statutory auditor included qualifications in the audit reports on our audited statutory financial statements under previous GAAP, which among others, include the following qualifications:

a. The auditor's report issued by the statutory auditors dated September 15, 2021 on the Statutory Consolidated Indian GAAP Financial Statements as at and for the year ended March 31, 2021 includes the following basis for qualified opinion paragraphs:

   i. As at 31st March 2021, the Holding Company has investment of Rs. 447,500,000 (as at 31st March 2020 Rs. 447,500,000) in Redeemable Preference Shares of Rochem Green Energy Private Limited ("RGEPL"). Considering the adverse financial position of RGEPL, the Holding Company's management has performed an impairment evaluation of its investments in RGEPL. Based on future cash flows projections of this entity, the management believes that no adjustment is needed in the carrying value of its investment in RGEPL as at 31st March 2021. However, there is lack of adequate convincing evidence for achieving the cash flow projections of this entity. Accordingly, we are unable to comment whether any adjustments are necessary to the carrying values of investments in RGEPL and its consequential impact on the profit for the year ended 31st March 2021 and the reserves and surplus as at 31st March 2021.This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   ii. The Rochem Separations Systems (India) Private Limited (RSSPL), a subsidiary, had granted unsecured interest free loan aggregating Rs. 160,635,803 to Rochem Green Energy Private Limited, a company with common directors, in earlier years, which was not in accordance with the requirements of Section 185 of the Companies Act, 2013. The amount outstanding as at 31st March 2021 in respect of such loan is Nil. The liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the financial statements. During the financial 2018-19, RSSPL had filed for compounding of non-compliance, the compounding order for the same is awaited. This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   iii. The following basis of qualified opinion was included in the audit report dated August 12, 2021, on the financial statements of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"), a subsidiary, reproduced as "Attention is drawn to Note No. 8 & 16, Trade Receivables of Rs. 8.50 crores (including rs. 1.38 crores from overseas debtors) which are outstanding for more than 6 to 8 years, we are of the opinion that the same are doubtful of recovery. However, management is confident of recovering same and has made Provision for Doubtful Debts only to the extent of Rs. 27 lacs." Note 8 and Note 16 as described above are reproduced as Note 18 to the Consolidated Financial Statements for the year ended 31st March 2021.

b. The auditor's report dated December 30, 2020 issued by the statutory auditor on the Statutory Consolidated Indian GAAP Financial Statements as at and for the year ended March 31, 2020 also includes basis for qualified opinion paragraphs described in paragraphs (a)(i) and (a)(ii) above.

c. The auditor's report dated September 26, 2019 issued by the previous statutory auditor on the Statutory Consolidated Indian GAAP Financial Statements as at and for the year ended March 31, 2019 includes basis of qualified opinion paragraph described in (a)(i) above.

These qualifications have been re-assessed by us for the purpose of preparation of Special Purpose Consolidated Interim Ind AS Financial Statements and Special Purpose Consolidated Ind AS Financial Statements prepared for the purpose of preparation of Restated Consolidated Financial Information and necessary adjustments have been made to such Special Purpose Consolidated Interim Ind AS Financial Statements and Special Purpose Consolidated Ind AS Financial Statements. For further details, see "*Financial Statements – Note 8 (B) (ii) and Note 14 on page 251 and on page 254 and Note 31.1*" on page 261.

41. Our sale of systems and plants are subject to seasonality, which may contribute to fluctuations in our results of operations.

Our sale of systems and plants are subject to seasonality, which may contribute to fluctuations in our results of operations. In that regard, a significant proportion of our systems and plants sales are made in the last quarter of the fiscal year, i.e. January to March Quarter. The table below provides the proportion of systems and plant sales during the four quarters.

Particulars	As at December 31, 2021	As atMarch 31 , 2021	As at March 31, 2020	As at March 31, 2019
Quarter One	20.51%	9.85%	11.63%	8.84%
Quarter Two	51.91%	29.38%	19.74%	13.79%
Quarter Three	27.58%	16.14%	35.58%	22.82%
Quarter Four	-	44.63%	33.05%	54.55%

42. Our Company has filed a compounding application with the relevant authorities in relation to non-compliance under the Companies Act, 2013.

In 2014-2015 and 2015-2016, our Company had granted an unsecured loan of Rs. 160.63 million to a related party which was in violation of the provision of section 185 of Companies Act, 2013. Our Company has filed a compounding application in GNL-1 vide SRN. H48868475 dated March 29, 2019 with the Regional Director/National Company Law Tribunal, Western Region, Mumbai. The matter is currently pending. An adverse decision in this matter may have an adverse impact on our business, results of operations and financial condition.

43. We have subsidiaries that have incurred losses in the last three fiscal years and in the nine month period ended December 31, 2021.

Our subsidiaries Rochem Services Private Limited and Reva Enviro Private Limited have incurred losses in the last three fiscal years and in the nine month period ended December 31, 2021. The table below provides details of the losses incurred.

	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Rochem Services Pvt. Ltd.	(14.50)	0.57	(1.66)	(1.93)
Reva Enviro Pvt. Ltd.	(5.81)	(4.25)	(0.11)	(3.99)

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

As of the date of this Draft Red Herring Prospectus, our subsidiary Rochem Separation Systems Pvt. Ltd. has received the following credit ratings on its debt and credit facilities.

Instrument or Rating Type	Amount (₹ in millions)	Date	Ratings
Long Term Facilities	1,000	May 19, 2022	Acuite BBB Outlook Stable
Short Term Based Facilities	280	May 19, 2022	Acuite A3+

These ratings assess our overall financial capacity to pay our obligations and are reflective of our ability to meet financial commitments as they become due. Further, there can be no assurance that these ratings will not be revised or changed by the above rating agencies due to various factors, including on account of the COVID-19 pandemic. Any downgrade in our credit ratings may increase interest rates for refinancing our outstanding debt, which would increase our financing costs, and adversely affect our future issuances of debt and our ability to raise new capital on a competitive basis.

45. We have adopted the Concord Enviro Employee Stock Option Plan 2022 (the "ESOP 2022 Scheme"). The grant of options under the ESOP 2022 Scheme may result in a charge to our profit and loss account, increase our employee expenses in Fiscal 2023 and may adversely impact our profitability and cash flows.

We have adopted the Concord Enviro Employee Stock Option Plan 2022 (the "**ESOP 2022 Scheme**"). As per the requirements of Ind AS 102, our Company is required to follow the fair value of option granted under ESOP 2022 Scheme on the date of the grant for the accounting of employee compensation cost and recognizes the charge over the vesting period with corresponding credit to equity (i.e. ESOP reserve) on a straight line basis, factoring the possible impact of attrition.

We established the ESOP 2022 Scheme which provides for a pool of 20,600 options, wherein we have no outstanding options as of the date of this Draft Red Herring Prospectus. For further details, see "*Capital Structure – Employee Stock Option Scheme*" on page 85. We may continue to issue employee stock options in the future, where we may grant options to our employees at discount to the market price of the Equity Shares, which may have an adverse impact on our results of operations and financial condition. The holders of our Equity Shares may also experience dilution of their shareholding to the extent that we issue any Equity Shares pursuant to exercise of any options granted under our employee stock option schemes.

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

Our business is dependent on the delivery of an adequate and uninterrupted supply of electricity and water at a reasonable cost. We procure utilities, such as water and electricity, from third parties for use at our manufacturing facilities. Reliance on third parties for such utilities exposes us to risks such as shortage or breakdown in supply, the correction of which is in the hands of such third parties. Any interruption in the continuous supply of water and electricity may negatively impact our manufacturing processes, which may result in delays in delivery of our products or non-delivery, resulting in loss of revenue and damage to our reputation or customer relationship. In case of the unavailability of any supply from, any of our utility providers for any reason, we are unable to assure you that we shall be able to source such utilities from alternate sources in a timely manner and at a commercially reasonable cost, which could adversely affect our business, results of operations and financial condition.

47. We currently avail benefits under certain export promotion schemes. Any change in these benefits applicable to us or a delay in disbursement of benefits under such schemes may affect our results of operations.

We currently avail benefits under the Excise Duty Drawback under the Foreign Trade Policy of India, which allow us duty free import of certain inputs used for manufacturing and availing excise duty drawbacks. We benefit from export incentives under other export promotion schemes including the Advance Authorisation scheme. If these export incentives are withdrawn, or there is a delay in disbursements of benefits under such schemes, our business, results of operations and financial condition may be adversely affected. In addition, our business, results of operations and financial condition may be adversely affected if we are subject to any dispute with the tax authorities in relation to these benefits or in the event, we are unable to comply with the conditions required to be complied with in order to avail ourselves of these benefits. For further information on our tax benefits, see our "*Statement of Special Tax Benefits*" on page 105.

48. We engage contract labour for carrying out certain business operations.

In order to retain operational efficiencies, we engage independent contractors through whom we engage contract labour for performance of certain functions at our manufacturing units as well as at our offices. As at December 31, 2022, we had 51 contract labourers. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our business, results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, as amended, we may be required to absorb a number of such contract labourers as permanent employees. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

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

We enter into confidentiality agreements and non-disclosure agreements with our customers and other third parties. Our agreements with our customers also contain confidentiality and non-disclosure clauses. As per these agreements, we are required to keep confidential, the know-how and technical specifications, if any, provided to us by these customers. In the event of any breach or alleged breach of our confidentiality agreements with our customers, these customers may terminate their engagements with us or initiate litigation for breach of contract. Moreover, most of these contracts do not contain provisions limiting our liability with respect to breaches of our obligation to keep the

information we receive from them confidential. As a result, if our customers' confidential information is misappropriated by us or our employees, our customers may consider us liable for that act and seek damages and compensation from us, in addition, to seeking termination of the contract. Although there have been no assertions of misappropriation of confidential information or the intellectual property in the past, any such assertion by any of our customers against us, if successful, could have a material adverse effect on our business, results of operations and financial condition. Even if such assertions against us are unsuccessful, they may cause us to incur reputational harm and substantial cost.

50. An inability to comply with repayment and other covenants in the financing agreements or otherwise meet our debt servicing obligations could adversely affect our business, financial condition, cash flows and credit rating.

Our subsidiaries have entered into agreements in relation to financing arrangements with certain banks for working capital facilities, term loans and bank guarantees for which our Company has been the parent guarantor. As of December 31, 2021, we had total outstanding borrowings and lease liabilities of ₹1,690.80 million comprising of non-current borrowings and lease liabilities of ₹761.77 million and current borrowings and lease liabilities of ₹929.03 million. The agreements with respect to our borrowings contain restrictive covenants, including, but not limited to, requirements that we obtain consent from the lenders prior to undertaking certain matters including, among others, effecting a merger, amalgamation or scheme of arrangement, change in capital structure of our Company subject to the threshold prescribed for the shareholding of certain shareholders of our Company and effecting change in the constitutional documents or management of the Company. For details, see "*Financial Indebtedness*" beginning on page 351.

As on December 31, 2021, our total secured borrowings and lease liabilities amounted to ₹1,616.57 million, comprising of 95.61% of our total indebtedness. Under the terms of our secured borrowings, we are required to create a charge by way of hypothecation on the entire current assets of our Company, together with cash in hand, bank accounts and receivables, and, in our term loans, fixed assets. As these assets are hypothecated in favour of lenders, our rights in respect of transferring or disposing of these assets are restricted. There can be no assurance that we will be able to comply with the financial or other covenants prescribed under the documentation for our financing arrangements or that we will be able to obtain consents necessary to take the actions that may be required to operate and grow our business. Further, if we fail to service our debt obligations, the lenders have the right to enforce the security created in respect of our secured borrowings. If the lenders choose to enforce security and dispose our assets to recover the amounts due from us, our business, results of operations and financial condition may be adversely affected.

Any failure to comply with the conditions and covenants in our financing agreements, the creation of additional encumbrances that are not waived by our lenders or guarantors or otherwise cured, the occurrence of a material adverse event that could lead to an event of default and consequent termination of our credit facilities, or a demand for repayment of our unsecured borrowings that may be recalled at any time could adversely affect our business, results of operations, financial condition and cash flows. One of the lender consents we have received is conditional upon receiving similar consents from the other lenders which are required in relation to the Offer. In Fiscal 2011, Rochem Green Energy Private Limited was the erstwhile subsidiary of our Company had availed term loans for implementing a waste to energy project. The project ran into technical difficulties due to waste quality and could not meet its debt service obligations. Rochem Green Energy Private Limited entered into a one-time settlement of such loans with its lenders in 2017. As of December 31, 2021, there are no amounts outstanding in respect of the one-time settlements entered into. In addition, Rochem Services Ltd (earlier Concord Blue Technologies Pvt. Ltd.), a subsidiary of our Company restructured its loans with lenders in Fiscal 2018 as it was facing difficulties servicing such loan obligations. Both of these loan facilities have been closed, and as of December 31, 2021, no outstanding amounts are owed under this facility.

51. Our Subsidiaries and Joint Ventures may not pay cash dividends on shares that we hold in them. Consequently, our Company may not receive any return on investments in our Subsidiaries and Joint Ventures.

Our Subsidiaries and Joint Ventures are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. We cannot assure you that our Subsidiaries and Joint Ventures will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

52. Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with any regulations applicable to us, to provide accurate information to regulatory authorities, to comply with manufacturing standards we have established, or to report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in our industry are

subject to laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. While we have not faced such instances in the past, there can be no assurance that we will be able to identify and deter such misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risk. If our employees engage in any such misconduct, we could face criminal penalties, fines, revocation of regulatory approvals and harm to our reputation, any of which could form a material adverse effect on our business.

53. Some of our Directors and Promoters may have interest in entities, which are in businesses similar to ours and this may result in conflict of interest with us.

As on the date of this Draft Red Herring Prospectus, some of our Directors and Promoters namely, Prayas Goel, Prerak Goel and Prakash Dharshibhai Shah have interests in entities that are engaged in businesses similar to ours. Prayas Goel and Prerak Goel, our Promoters and Directors, are also directors on the board of our Subsidiaries/ Group Companies/ entities forming part of the Promoter Group namely Rochem Separation Systems (India) Private Limited, Rochem Green Energy Private Limited, Rochem (India) Private Limited, Rochem Services Private Limited (*formerly known as "Concord Blue Technology Pvt. Ltd."*), Rochem Technical Services Private Limited *(formerly known as "Rochem Manpower Services (India) Pvt. Ltd."*), and Reva Enviro Systems Private Limited. Further, Prakash Dharshibhai Shah, Independent Director on our Board, is also a director on the board of Vinyl Chemicals (India) Limited. These entities are in similar lines of business to our Company, and there can be no assurance that conflicts of interest will not occur between our business and the businesses of such entities, which could have an adverse effect on our business and prospects.

While there is presently no conflict, there is no assurance that our Directors will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition

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

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

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error.

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

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

We have in the course of our business entered into, and will continue to enter into, several transactions with our related parties including remuneration paid to our Directors. For further information, see "*Financial Information*" on page 215. We cannot assure you that we will receive similar terms in our related party transactions in the future and that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties.

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

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

Our Promoters, certain of our Directors and Key Managerial Personnel, while managing the day to day operations, may be interested in our Company, in addition to regular remuneration or sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, or benefits and reimbursement of expenses, to the extent of the Equity Shares held by them or their relatives, if any, in our Company, and any dividends, bonuses or other distributions on such Equity Shares. Further, certain of our Directors or their relatives are also shareholders or directors on the board of certain Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, and may be deemed to be interested to the extent of the payments made by our Company to such Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, and the shareholding of such Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, if any and dividends declared thereon. For further details, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*" and "*Our Management – Interest of Key Managerial Personnel*" on page 197 and 206. While our Promoters, Directors and Key Managerial Personnel believe that they act in the benefit and best interest of the Company, there can be no assurance of continuing the same.

57. After the completion of the Offer, our Promoter will continue to collectively hold substantial shareholding in our Company.

Currently, our Promoters own an aggregate of 54.13% of our outstanding Equity Shares. Following the completion of the Offer, certain Promoter Shareholders will continue to hold approximately 39% of our post-Offer Equity Share capital which will allow them to exercise significant control over the outcome of the matters submitted to our shareholders for approval. For details of their shareholding pre- and post- Offer, see "*Capital Structure*" on page 88. This concentration of ownership may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult without the support of these shareholders. In addition, these Shareholders have the ability to exercise influence over our business, and may cause us take actions that are not in, or may conflict with, our or our other shareholder's best interests, including matters relating to our management and policies and the election of our directors and senior management, the approval of lending and investment policies, revenue budgets, capital expenditure, dividend policy, strategic acquisitions and fund raising activities. The interests of our significant shareholders could conflict with our interests or the interests of our other shareholders. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

Further, pursuant to the shareholders' agreement dated August 7, 2015, as amended by an amendment agreement to the shareholders' agreement dated October 3, 2015 (collectively the "**SHA**"), subscription cum addendum agreement dated March 21, 2016 ("**First Amendment**"), a second subscription cum addendum agreement dated October 26, 2017 ("**Second Amendment**") and a third addendum agreement dated April 20, 2021 ("**Third Amendment**") and amendment agreement dated June 22, 2022 ("**2022 Amendment**") and Articles of Association and upon receipt of approval by the shareholders of our Company by way of a special resolution in the first general meeting after listing, the Promoters and AF Holdings shall have the right to nominate a director on the Board as per the following thresholds:

Shareholding of each of the AF Holdings or Promoters (on an aggregate), as applicable, as a percentage of the total paid-up share capital of our Company on a fully diluted basis	Number of directors to be nominated by AF Holdings	Number of directors to be appointed by the Promoters
Above or equal to 10% (ten per cent)	Two	Three
Less than 10% (ten per cent) but more than 5% (five per cent)	One	One

Further, pursuant to the 2022 Amendment, upon the complete exit of AF Holdings from the Company, if the internal rate of return earned by AF Holdings, exceeds 25% of their initial investment amount after deduction of all costs and expenses, then AF Holdings would be required to pay to our Promoters, Prayas Goel and Prerak Goel, 30% of the net capital gains earned by them, subject to receipt of requisite approvals, including from the Board and shareholders' of the Company, as required under Regulation 26 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post listing of the Equity Shares pursuant to the Offer. For details, see "*History and Certain Corporate Matters – Details of shareholders' Agreements*" on page 183.

58. A portion of the Net Proceeds may be utilized for repayment or pre-payment of a loan availed by our Subsidiary, BWT, from AF Holdings, one of the Selling Shareholders.

We propose to repay or pre-pay a loan availed by our Subsidiary, BWT, from AF Holdings from the Net Proceeds. AF Holdings is one of the Selling Shareholders in the Offer. The loan was sanctioned AF Holdings to cause BWT to utilize it for the investment in Roserve SG incorporated for the purpose of providing leasing solutions to customers in the non-Indian market or for any other purposes with prior written permission of the Lender. The Board of Directors of our Company has chosen the loans and facilities to be repaid/prepaid based on commercial considerations. For further details see "Objects of the Offer" on page 88. However, there can be no assurance that the repayment/prepayment of such loans from the Net Proceeds to one of the Selling Shareholders will not be perceived as a current or potential conflict of interest.

59. We cannot assure payment of dividends on the Equity Shares in the future.

We have a formal dividend distribution policy, but have not declared dividends on our Equity Shares during the last three Fiscal Years. Our ability to pay dividends in the future will depend upon our dividend policy, future results of operations, financial condition, cash flows, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details pertaining to dividend declared by us in the past, see "*Dividend Policy*" on page 214.

60. Information relating to the installed manufacturing capacity of our two manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.

Information relating to the installed capacity and capacity utilization of our two manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered engineer, Vishal S. Joshi, in the calculation of the installed capacity and capacity utilization of our manufacturing facilities. Actual production volumes and capacity utilization rates may differ significantly from the estimated production capacities and historical capacity utilization of our manufacturing facilities. Investors should therefore not place undue reliance on our historical installed capacity information for our existing manufacturing facilities included in this Draft Red Herring Prospectus.

61. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control.

While our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the Offer for Sale. We intend to use the Net Proceeds for the purposes described in "*Objects of the Offer*" on page 88 of this Draft Red Herring Prospectus. As on the date of this Draft Red Herring Prospectus, our funding requirements are based on management estimates, current circumstances of our business, the prevailing market condition and other commercial and technical factors and have not been appraised by any bank or financial institution or any other independent agency. They are based on current conditions and are subject to change in light of financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. While we will use the Net Proceeds for purposes such as investment in CEF, in relation to construction of the Assembly Unit, investment into RSSPL, BWT and CEF for funding its working capital requirements, prepayment/repayment of certain outstanding borrowings availed by RSSPL, BWT and CEFand general corporate purposes in the manner specified in "*Objects of the Offer*" on page 88, the amount of Net Proceeds to be actually used will be based on our management's discretion. The mode of investment by our Company RSSPL, BWT and CEF to (a) fund the construction of the Assembly Unit ; (b) investment into RSSPL, BWT and CEF for funding its working capital requirements, and (c) fund repayment/prepayment of loans availed by RSSPL and CEF, has currently not been determined and may be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. Our internal management estimates may exceed fair market value or the value that would have been determined by third-party appraisals, which may require us to reschedule or reallocate our expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, and other financial and operational factors. Further, while our Company will receive proceeds from the Fresh Issue, it will not receive any proceeds from the sale of Equity Shares pursuant to Offer for Sale by the Selling Shareholders. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds. If we are unable to deploy the Net Proceeds in a timely or an efficient manner, it may affect our business and the results of operations.

62. Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

Certain sections of this Draft Red Herring Prospectus include information based on, or derived from, the F&S Report or extracts of the F&S Report prepared by Frost & Sullivan, which is not related to our Company, Directors or Promoters. We commissioned and paid for this report for the purpose of confirming our understanding of the industry in connection with the Offer. All such information in this Draft Red Herring Prospectus indicates the F&S Report as its source. Accordingly, any information in this Draft Red Herring Prospectus derived from, or based on, the F&S Report should be read taking into consideration the foregoing.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While we have assumed responsibility for the contents of the report and have taken reasonable care in the reproduction of the information, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Further, the F&S Report is not a recommendation to invest / disinvest in any company covered in the F&S Report. Accordingly, prospective investors should not place undue reliance on, or base their investment decision solely on this information.

In view of the foregoing, you may not be able to seek legal recourse for any losses resulting from undertaking any investment in the Offer pursuant to reliance on the information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report . You should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the F&S Report before making any investment decision regarding the Offer. See "*Industry Overview*" on page 118. For the disclaimers associated with the F&S Report, see "*Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data*" on page 14.

63. We will not receive any proceeds from the Offer for Sale. The Selling Shareholders including the Promoter Selling Shareholders will receive the net proceeds from the Offer for Sale.

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders, including the Promoter Selling Shareholders, shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale.

64. Certain of our corporate filings, resolutions and records are not traceable. We cannot assure that regulatory proceedings or actions will not be initiated against us in the future and we will not be subject to any penalty imposed by the competent regulatory authority in this regard.

Certain of our corporate regulatory filings, resolutions and records are not traceable including (a) board resolution for change in registered office of the Company on June 15, 2005; and (b) form filing and board and shareholders resolution for change in name of our Subsidiary, Rochem Services Private Limited, from 'Concord Blue Gases Private Limited', to 'Concord Blue Technology Private Limited' on May 7, 2009. Therefore, the disclosures in this Draft Red Herring Prospectus in relation to such untraceable records have been made in reliance on other supporting documents available in our records including the certificate of incorporation issued by the registrar of companies. We cannot assure you that the relevant corporate records will become available in the future, or actions will not be initiated against us in the future, or that we will not be subject to any penalty imposed by the competent regulatory authority in this respect.

External Risks:

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

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

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

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

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

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely affect our business, financial condition and results of operations, and the price of the Equity Shares.

66. Our business, results of operations and financial condition may be affected by global economic conditions, especially in the U.A.E. where we have a manufacturing facility, and the geographies to which we cater.

Our business depends substantially on global economic conditions. Our international customers are located and primarily operating in Asia, the Middle East, Africa and Europe and some of our customers may be adversely impacted by the economic downturn in their national or regional economies, disruption in their banking and financial systems, economic weakness, unfavourable government policies, rising inflation, lowering of spending power and customer confidence, and political uncertainty. In addition, we have a manufacturing facility in Sharjah, U.A.E. which could also be adversely affected by such factors.

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

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

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in the Indian financial markets and indirectly in the Indian economy in general. Any worldwide financial instability could influence the Indian economy. In response to such developments, legislators and financial regulators in the United States, Europe and other jurisdictions, including India, have implemented several policy measures designed to add stability to the financial markets. In addition, any increase in interest rates by the United States Federal Reserve will lead to an increase in the borrowing costs in the United States which may in turn impact global borrowing as well. Furthermore, in several parts of the world, there are signs of increasing retreat from globalization of goods, services and people, as pressure for the introduction of a protectionist regime is building and such developments could adversely affect Indian exports. However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current adverse conditions in the global credit markets continue or if there is any significant financial disruption, this could have an adverse effect on our business, results of operations and financial condition.

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

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

67. Changing laws, rules and regulations in India and the U.A.E. could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate is evolving and is subject to change. The GoI and the U.A.E where our Sharjah manufacturing facility and our Assembly Unit are located, may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the GoI, Government of the U.A.E. and other regulatory bodies, or impose onerous requirements.

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

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

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

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

69. Natural calamities, climate change and health epidemics and pandemics such as COVID-19 in India or the U.A.E. could adversely affect our business, financial condition, and results of operations. In addition, hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect our business, results of operations and financial condition.

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

A number of countries in Asia, including India and the U.A.E., as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine. In addition, the COVID-19 pandemic, has caused a worldwide health crisis and economic downturn. Any future outbreak of health epidemics may restrict the level of business activity in affected areas, which may, in turn, adversely affect our business. See "*The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition*" on page 34.

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

India has from time-to-time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. The U.A.E. has also experienced attacks on its shipping and other infrastructure from neighbouring countries and terrorist groups. There were mass protest by farmers, against three farm acts which were passed by the Parliament of India in September 2020. The introduction of the law caused protests in several parts of the country like Delhi, Haryana and Punjab. In case there are mass protests leading to civil unrest, such incidents could impact both our operations and adversely affect our business, results of operations and financial condition. Present relations between India and Pakistan continue to be fragile on the issues of terrorism, armaments and Kashmir. Further, there have been continuing border disputes between India and China Military activity or terrorist attacks in the future could influence the Indian or the U.A.E. economies by disrupting communications and making travel more difficult. Such political tensions also could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia and the Middle East, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies.

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

In recent months, consumer and wholesale prices in India have exhibited increased inflationary trends, as the result of an increase in crude oil prices, higher international commodity prices, and higher domestic consumer and supplier prices. The Consumer Price Index increased from 3.4% (average) in Fiscal 2019 to 4.8% (average) in Fiscal 2020 to an estimated 6.0% (average) in Fiscal 2021 although the RBI has enacted certain policy measures designed to curb inflation, these policies may not be successful. In February 2022, hostilities between Russia and the Ukraine commenced. The market price of oil has risen sharply since the commencement of these hostilities which may have an inflationary effect in India. Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees, raw materials and other expenses. There can be no assurance that we will be able to pass on any additional expenses to our customers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our business, results of operations and financial condition.

71. Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Financial Statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus.

Our Restated Financial Statements as of, and for the nine month period ended, December 31, 2021 and as of, and for the years ended, March 31, 2021, 2020 and 2019 have been prepared and presented in accordance with Ind-AS. The Ind-AS accounting principles differ from accounting principles with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Ind-AS, U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus including our Restated Financial Statements. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on the prospective investor's familiarity with Ind-AS and the Companies Act. Any reliance by persons not familiar with Ind-AS on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

72. The U.A.E. and Indian tax regimes are currently undergoing substantial changes which could adversely affect our business and the trading price of the Equity Shares.

Our business, results of operations and financial condition could be adversely affected by any change in the extensive central and state tax regime in India and the U.A.E. federal or local Sharjah tax regimes, in each case as applicable to us and our business.

The Ministry of Finance's ("**MOF**") of the U.A.E. announced on January 31, 2022 that the UAE will introduce a federal corporate income tax ("**CIT**") effective for financial years starting on or after June 1, 2023. While the formal CIT legislation has not yet been published, MOF's announcement states that CIT will be payable on the profits of UAE businesses as reported in their financial statements prepared in accordance with internationally acceptable accounting standards. It also appears that it will not affect businesses operated in free trade zones such as ours. We are uncertain at this time on the effect of the CIT on our operations. However, any CIT payable by our subsidiaries in the U.A.E. may have an adverse impact on our business, results of operations and financial condition.

Tax and other levies imposed by Indian central and state governments that affect our tax liability, include central and state taxes and other levies, income tax, turnover tax, goods and service tax, stamp duty and other special taxes and surcharges, which are introduced on a temporary or permanent basis from time to time. This extensive central and state tax regime is subject to change from time to time. The final determination of our tax liability involves the interpretation of local tax laws and related regulations in each jurisdiction, as well as the significant use of estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred.

For instance, the Government of India has implemented two major reforms in Indian tax laws, namely the GST, and provisions relating to general anti-avoidance rules ("**GAAR**"). The indirect tax regime in India has undergone a complete overhaul. The indirect taxes on goods and services, such as central excise duty, service tax, central sales tax, state value added tax, surcharge and excise have been replaced by Goods and Service Tax with effect from July 1, 2017. GAAR became effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement may result in, among others, a denial of tax benefit to us and our business. In the absence of any precedents on the subject, the application of these provisions is subjective. If the GAAR provisions are made applicable to us, it may have an adverse tax impact on us. Further, if the tax costs associated with certain of our transactions are greater than anticipated because of a particular tax risk materializing on account of new tax regulations and policies, it could affect our profitability from such transactions.

Further, the Finance Act, 2020, has, amongst others things, notified changes and provided a number of amendments to the direct and indirect tax regime, including, without limitation, a simplified alternate direct tax regime and that dividend distribution tax ("**DDT**"), will not be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident and are subject to tax deduction at source. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source from such dividend. Investors should consult their own tax advisors about the consequences of investing or trading in the Equity Shares.

Further, we cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, results of operations and cash flows. The Government of India had announced the union budget for financial year 2022 and the Finance Act, 2021 received assent from the President of India on March 28, 2021 and was made effective from April 1, 2021. There is no certainty on the impact that the Finance Act, 2021 may have on our business and operations or in the industry we operate in.

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

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

74. Foreign investors are subject to foreign investment restrictions under Indian laws which limit our ability to attract foreign investors, which may adversely impact the market price of our Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain restrictions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/tax clearance certificate from the income tax authority. We cannot assure investors that any required approval

from the RBI or any other Indian government agency can be obtained on any particular terms, or at all. For further details, please see on "*Restrictions on Foreign Ownership of Indian Securities*" on page 402.

Risks Relating to the Equity Shares

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

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by our Company or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

76. Currency exchange rate fluctuations may affect the value of the Equity Shares.

The exchange rate between the Rupee and other foreign currencies, including the U.S. Dollar, the British pound sterling, the Euro, the Hong Kong Dollar, the Singapore Dollar and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Rupees may affect the value of the investment in the Company's Equity Shares. Specifically, if there is a change in relative value of the Rupee to a foreign currency, each of the following values will also be affected:

- the foreign currency equivalent of the Rupee trading price of the Company's Equity Shares in India;
- the foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of the Company's Equity Shares; and
- the foreign currency equivalent of cash dividends, if any, on the Company's Equity Shares, which will be paid only in Rupees.

You may be unable to convert Rupee proceeds into a foreign currency of your choice, or the rate at which any such conversion could occur could fluctuate. In addition, the Company's market valuation could be seriously harmed by a devaluation of the Rupee if investors in jurisdictions outside India analyse its value based on the relevant foreign currency equivalent of the Company's results of operations and financial condition.

77. The determination of the Price Band is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market

price of some securities listed pursuant to certain previous issues managed by the Book Running Lead Managers is below their respective issue prices.

The determination of the Price Band is based on various factors and assumptions, and will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers. Furthermore, the Offer Price of the Equity Shares will be determined by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Offer Price*" beginning on page 102 and may not be indicative of the market price for the Equity Shares after the Offer.

In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see "Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs" commencing on page 371. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

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

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

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

Similarly, any business income realized from the transfer of Equity Shares held as trading assets is taxable at the applicable tax rates subject to any treaty relief, if applicable, to a non-resident seller. Additionally, in terms of the Finance Act, 2018, which has been notified on March 29, 2018 with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long term capital asset (introduced as section 112A of the Income-tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

Further, the Finance Act, 2019 has made various amendments in the taxation laws and has also 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 have come into effect from July 1, 2020.

Additionally, the Finance Act does not require DDT to be payable in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. The Company may or may not grant the benefit of a tax treaty (where applicable) to a non-resident shareholder for the purposes of deducting tax at source pursuant to any corporate action including dividends.

79. QIBs and Non-Institutional Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid, and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Offer Closing Date.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or

the Bid Amount) at any stage after submitting a Bid. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date. While our Company is required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed including Allotment pursuant to the Offer within six Working Days from the Bid/Offer Closing Date, or such other time period as required under the applicable laws, events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operation or financial condition may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

80. There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. In accordance with current regulations and circulars issued by SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

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

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

82. Any future issuance of Equity Shares or convertible securities or other equity linked securities by our Company may dilute holders' shareholding and sales of the Equity Shares by our major shareholders may adversely affect the trading price of the Equity Shares.

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in us. Any disposal of Equity Shares by our major shareholders or the perception that such issuance or sales may occur, including to comply with the minimum public shareholding norms applicable to listed companies in India may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that the shareholders will not dispose of the Equity Shares. Any future issuances could also dilute the value of your investment in the Equity Shares. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares.

83. A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive and widespread as shareholders' rights under the laws of other countries or jurisdictions.

SECTION III – INTRODUCTION

THE OFFER

The following table summarizes details of the Offer:

Offer of Equity Shares[(1)]^	Up to [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
Fresh Issue [(1)]^	Up to [●] Equity Shares, aggregating up to ₹ 1,750 million
Offer for Sale [(2)]	Up to 3,569,180 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders
The Offer^ comprises of:	
A) QIB Portion[(3)(4)]	Not less than [●] Equity Shares, aggregating up to ₹ [●] million
***of which*:**	
(i) **Anchor Investor Portion[(4)]**	Up to [●] Equity Shares, aggregating up to ₹ [●] million
of which	
Available for allocation to domestic Mutual Funds only	At least [●] Equity Shares, aggregating up to ₹ [●] million
(ii) **Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)**	[●] Equity Shares, aggregating up to ₹ [●] million
of which:	
(a) **Available for allocation to Mutual Funds only (5% of the Net QIB Portion)**	At least [●] Equity Shares, aggregating up to ₹ [●] million
(b) **Balance for all QIBs including Mutual Funds**	[●] Equity Shares, aggregating up to ₹ [●] million
B) Non-Institutional Portion	Not more than [●] Equity Shares, aggregating up to ₹ [●] million
C) Retail Portion [(5)]	Not more than [●] Equity Shares, aggregating up to ₹ [●] million
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as at the date of this Draft Red Herring Prospectus)	851,120 Equity Shares*
Equity Shares outstanding post the Offer	[●] Equity Shares
Use of Net Proceeds	See "*Objects of the Offer*" on page 88 for information on the use of proceeds arising from the Fresh Issue. Our Company will not receive any proceeds from the Offer for Sale.

* *Upon conversion of 7,999 CCPS held by AF Holdings into 28,79,640 Equity Shares (as adjusted for the Bonus Issuance) prior to filing of the Red Herring Prospectus with RoC, and consummation of the proposed Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, our total pre-Offer issued capital will be 18,199,800 Equity Shares of face value ₹5 each aggregating to a nominal value of ₹90,999,000.*

^ *Our Company may, in consultation with the Selling Shareholders and BRLMs, consider undertaking a Pre – IPO Placement. If the Pre-IPO Placement is completed, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer complying with Rule 19(2)(b) of the SCRR.*

(1) *The Offer has been authorized by a resolution of our Board dated June 15, 2022 and the Fresh Issue has been authorized by a special resolution of our Shareholders dated June 22, 2022.*

(2) *The Equity Shares being offered by each of the Selling Shareholders, severally and not jointly, are eligible for being offered for sale as part of the Offer in terms of the Regulation 8 of the SEBI ICDR Regulations. In accordance with Regulation 8A of the SEBI ICDR Regulations, (i) Selling Shareholders, holding individually or with persons acting in concert, more than 20% of pre-Offer shareholding of the Company, (on a fully diluted basis), shall not exceed more than 50% of their respective pre-Offer shareholding (on a fully diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of the Company (on a fully diluted basis), shall not exceed more than 10% of the pre-Offer shareholding of the Company (on a fully diluted basis). The Selling Shareholders have, approved participation in the Offer for Sale as set out below:*

Name of the Selling Shareholders	Number of Equity Shares offered in the Offer for Sale	Date of authorisation	Date of consent letter
AF Holdings	Up to 3,114,600* Equity Shares	June 20, 2022	June 27, 2022
Prayas Goel	Up to 150,600 Equity Shares	N.A	June 27, 2022
Prerak Goel	Up to 150,500 Equity Shares	N.A	June 27, 2022
Namrata Goel	Up to 29,500 Equity Shares	N.A	June 27, 2022
Nidhi Goel	Up to 31,500 Equity Shares	N.A	June 27, 2022

Name of the Selling Shareholders	Number of Equity Shares offered in the Offer for Sale	Date of authorisation	Date of consent letter
Pushpa Goel	Up to 92,420 Equity Shares	N.A	June 27, 2022

**Assuming conversion of the CCPS.*

For further details, see "Other Regulatory and Statutory Disclosures" on page 364.

(3) *Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion will accordingly be reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. In the event the aggregate demand from Mutual Funds is less than as specified above, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in proportion to their Bids. For further details, see "Offer Procedure" on page* 385.

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.*

(5) *Allocation to Bidders in all categories, except Anchor Investors, if any, Non-Institutional Investors and Retail Individual Bidders, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Equity Shares available for Allocation to Non-Institutional Bidders under the Non-Institutional Portion, shall be subject to the following: (i) one-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with an application size of more than ₹ 0.2 million and up to ₹ 1.0 million; and (ii) two-third of the portion available to Non-Institutional Bidders shall be reserved for applicants with application size of more than ₹ 1.0 million, provided that the unsubscribed portion in either of the subcategories specified above may be allocated to applicants in the other sub-category of Non-Institutional Bidders. The allocation to each Non-Institutional Bidder shall not be less than the ₹0.2 million, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis in accordance with the conditions specified in this regard in Schedule XIII of the SEBI ICDR Regulations. For further details, see "Offer Procedure" on page 385.*

For further details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure* "and "*Offer Procedure*" on pages 382 and 385, respectively. For further details of the terms of the Offer, see "*Terms of the Offer*" on page 376.

SUMMARY OF FINANCIAL INFORMATION

The following tables provide the summary of our financial information derived from the Restated Consolidated Financial Information as at and for the nine month period ended December 31, 2021 and as at and for the Financial Years ended March 31, 2021, March 31, 2020 and March 31, 2019.

The summary financial information presented below should be read in conjunction with "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 215 and 297, respectively.

Restated Consolidated Statements of Assets and Liabilities

(in ₹ million)

	Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
	ASSETS				
A	**Non-current assets**				
	a) Property, plant and equipment	641.61	693.74	536.73	459.90
	b) Right of use asset	544.86	629.41	454.70	320.45
	c) Capital work in Progress	106.18	82.41	48.20	34.86
	d) Intangible assets	255.15	37.95	8.89	14.00
	e) Intangible assets under development	2.24	2.24	2.24	3.20
	f) Financial assets				
	i) Investments				
	(a) Investments accounted for using equity method	209.83	200.64	194.63	131.97
	(b) Other investments	2.95	2.25	1.72	1.72
	ii) Other financial assets	109.32	104.27	69.35	47.50
	g) Deferred tax assets (net)	66.34	48.57	43.22	37.17
	h) Current tax assets (net)	11.01	3.68	2.60	2.25
	i) Other Non Current assets	52.03	47.66	207.63	236.85
	(A)	**2,001.52**	**1,852.82**	**1,569.91**	**1,289.87**
B	**Current assets**				
	a) Inventories	1,407.87	1,177.38	1,579.04	1,215.23
	b) Financial assets				
	i) Trade receivables	1,094.12	1,520.96	1,484.07	1,268.30
	ii) Cash and cash equivalents	84.20	104.26	31.51	15.32
	iii) Bank balances other than (ii) above	95.32	98.76	93.30	178.88
	iv) Loans	11.25	10.61	0.45	0.41
	v) Other financial assets	24.11	22.95	30.05	34.08
	c) Other Current assets	446.30	391.97	418.46	129.98
	(B)	**3,163.17**	**3,326.89**	**3,636.88**	**2,842.20**
	TOTAL (A + B)	**5,164.69**	**5,179.71**	**5,206.79**	**4,132.07**
	EQUITY AND LIABILITIES				
A	**Equity**				
	a) Equity share capital	4.26	3.08	3.08	3.08
	b) Other equity	2,533.64	(110.08)	(204.95)	(353.32)
	Total Equity (A)	**2,537.90**	**(107.00)**	**(201.87)**	**(350.24)**
	Liabilities				
B	**Non-current liabilities**				
	a) Financial liabilities				
	i) Borrowings	404.59	315.10	50.72	2,349.39
	ii) Lease liabilities	357.18	434.14	313.98	198.07
	iii) Other financial liabilities	2.31	2.42	1.78	2.55
	b) Provisions	45.17	36.69	30.67	20.65
	c) Other non-current liabilities	1.78	2.71	-	-
	(B)	**811.03**	**791.06**	**397.15**	**2,570.66**
C	**Current liabilities**				
	a) Financial liabilities				
	i) Borrowings	786.65	3,354.11	3,572.04	776.83
	ii) Lease liabilities	142.38	139.57	105.95	74.34
	iii) Trade payables				

	Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
	- Amount due to micro and small enterprises	85.00	54.07	32.74	29.35
	- Amount due to other than micro and small enterprises	579.36	784.84	957.06	756.50
	iv) Other financial liabilities	14.87	19.11	20.95	21.53
	b) Provisions	18.07	19.27	19.22	17.28
	c) Contract liabilities	168.32	84.15	262.05	171.55
	d) Current tax liabilities (net)	4.18	13.29	29.83	13.53
	e) Other Current liabilities	16.93	27.24	11.67	50.74
	(C)	**1,815.76**	**4,495.65**	**5,011.51**	**1,911.65**
	TOTAL (A+B+C)	**5,164.69**	**5,179.71**	**5,206.79**	**4,132.07**

Restated Consolidated Statements of Profit and Loss

(in ₹ million)

	Particulars	Nine Month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
A	**Income**				
	Revenue from operations	2,193.75	3,476.02	3,832.13	2,976.75
	Other income	22.70	52.01	18.31	24.18
	Total income (A)	**2,216.45**	**3,528.03**	**3,850.44**	**3,000.93**
B	**Expenses**				
	Cost of raw materials and components consumed	914.61	1,295.39	1,679.84	1,363.94
	Purchase of stock-in-trade	95.17	114.57	193.03	87.86
	Increase/(decrease) in inventories of finished goods and work-in-progress	(84.71)	289.41	(107.26)	(178.65)
	Employee benefits expenses	386.72	424.07	475.42	412.18
	Finance costs	142.80	192.42	411.50	284.49
	Depreciation and amortisation expenses	196.14	248.03	217.30	218.66
	Other expenses	554.27	738.36	855.87	592.28
	Total expenses (B)	**2,205.00**	**3,302.25**	**3,725.70**	**2,780.76**
C	**Share of profit / (loss) of joint ventures**	**7.37**	**6.51**	**(0.02)**	**6.35**
D	**Profit before tax (A-B+C)**	**18.82**	**232.29**	**124.72**	**226.52**
E	**Tax expense:**				
	- Current tax	12.82	34.31	53.07	57.27
	- Deferred tax charge / (credit)	(17.83)	(0.40)	(5.48)	12.03
	- Income tax pertaining to earlier years	(6.43)	0.26	(1.48)	(1.30)
		(11.44)	34.17	46.12	68.00
F	**Profit for the period / year (D-E)**	**30.26**	**198.12**	**78.60**	**158.52**
G	**Other comprehensive income / (loss)**				
	(i) Items that will not be reclassified subsequently to profit or loss				
	- Remeasurement of defined benefit plans - gain/(loss)	(1.02)	0.01	(4.29)	(1.48)
	- Income tax relating to above - (charge) / credit	-	-	-	-
	(ii) Items that may be reclassified subsequently to profit or loss				
	- Foreign exchange differences on translation of foreign operations	15.34	(59.80)	78.43	42.95
	- Foreign exchange differences on share of joint ventures	0.31	(0.50)	0.17	-
	- Income tax relating to above - (charge) / credit	-	-	-	-
		14.63	(60.29)	74.31	41.47
I	**Total comprehensive income (F + G)**	**44.89**	**137.83**	**152.91**	**199.99**
J	**Profit for the period / year attributable to:**				
	(i) Owners of the Company	**30.26**	198.12	78.60	158.52
		30.26	**198.12**	**78.60**	**158.52**
K	**Other comprehensive income / (loss) for the period / year attributable to:**				
	Owners of the Company	14.63	(60.29)	74.31	41.47
		14.63	(60.29)	74.31	41.47
L	**Total comprehensive income / (loss) for the period / year attributable to:**				
	Owners of the Company	44.89	137.83	152.91	199.99
		44.89	137.83	152.91	199.99

Restated Consolidated Statements of Cashflow

(in ₹ million)

Particulars	Nine Month Period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	18.82	232.29	124.72	226.52
Adjustments for:				
Finance Costs	142.80	192.42	411.50	284.49
Interest income	(8.42)	(12.73)	(11.36)	(10.88)
Depreciation and amortization	196.14	248.03	217.30	218.66
Share of profit / (loss) of Joint Ventures	(7.37)	(6.51)	0.02	(6.35)
Liquidated damages	0.83	1.56	1.20	1.31
Foreign currency exchange loss / (gain) (Net)	25.72	(76.06)	51.68	84.07
Amortisation of financial guarantee liability	(0.58)	(0.97)	(0.43)	(0.50)
Liabilities written back to the extent no longer required	(1.81)	(6.54)	(0.63)	(6.40)
Provision / (reversal) for expected credit losses on financial assets	19.16	24.45	18.26	(0.45)
Provision for doubtful advances	8.39	0.17	1.07	-
Bad debts written off	0.63	0.11	15.88	31.61
Sundry balances written off	2.09	18.43	9.05	4.73
Loss on sale / discard of property, plant and equipment	-	-	2.81	0.15
Dividend income	(0.01)	-	(0.01)	(0.01)
Operating profit before working capital changes	396.38	614.64	841.07	826.95
Movements in working capital:				
(Increase) / decrease in trade receivable	407.05	(61.49)	(249.92)	(160.78)
(Increase) / decrease in loans and other assets	(56.96)	9.77	(320.50)	(11.32)
(Increase) / decrease in inventories	(230.49)	401.65	(363.81)	(266.02)
Increase / (decrease) in provisions, and other liabilities	78.65	(138.36)	62.57	24.28
Increase / (decrease) in trade payable	(174.54)	(150.99)	203.94	57.79
	420.09	**675.22**	**173.35**	**470.91**
Direct taxes paid (including tax deducted at source)	(22.77)	(52.19)	(35.66)	(29.90)
Net cash generated from operating activities…(A)	**397.32**	**623.03**	**137.69**	**441.01**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(278.21)	(216.35)	(149.07)	(153.08)
Sale of property, plant and equipment	2.40	5.57	7.88	2.45
Investment made in joint ventures	(1.52)	-	(63.72)	(14.71)
Loans given	-	(10.00)	-	-
Interest income	2.87	4.40	2.66	2.90
Dividend income	0.01	-	0.01	0.01
(Increase) / decrease in other bank balance	(9.95)	(7.85)	85.58	(75.51)
Net cash used in investing activities… (B)	**(284.40)**	**(224.22)**	**(116.66)**	**(237.94)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	114.59	331.23	11.56	51.10
Repayment of long term borrowings	(21.38)	(39.44).	(20.17)	(8.05)
Redemption of unsecured compulsory convertible debentures	(8.58)	-	-	-
Proceeds from / (repayment of) short term borrowings (net)	37.41	(327.40)	277.93	9.71
Payment of lease liabilities	(105.65)	(102.18)	(93.77)	(110.03)
Interest paid	(149.38)	(187.45)	(181.67)	(167.95)
Net cash used in financing activities… (C)	**(132.99)**	**(325.24)**	**(6.12)**	**(225.22)**
Net increase / (decrease) in cash and cash equivalents (A+ B+C)	**(20.07)**	**73.57**	**14.91**	**(22.15)**
Cash and cash equivalents at beginning of the period/ year	104.26	31.51	15.32	35.12
Foreign currency translation reserve	0.01	(0.82)	1.28	2.35

Particulars	Nine Month Period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Cash and cash equivalents at end of the period/ year	84.20	104.26	31.51	15.32
Net increase / (decrease) in cash and cash equivalents	**(20.07)**	**73.57**	**14.91**	**(22.15)**

GENERAL INFORMATION

Our Company was originally incorporated as "*Concord Enviro Systems Private Limited*" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated July 1, 1999, issued by the RoC. Pursuant to a memorandum of understanding dated August 18, 1999 executed between our Company, and "Universal Blenders", a partnership firm constituted pursuant to partnership deed dated August 19, 1992, as amended, our Company took over the assets and liabilities of Universal Blenders, which ceased its business operations, and was taken over and carried in the name of the Company with effect from July 3, 1999. The name of our Company was subsequently changed to "*Concord Enviro Systems Limited*", upon conversion into a public company, pursuant to a board resolution dated May 23, 2022 and a shareholders' resolution dated May 25, 2022, and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on June 9, 2022. For further details relating to the changes in the name and registered office of our Company, see "History and Certain Corporate Matters – Changes in our Registered Office" and "*History and Certain Corporate Matters – Changes in our Registered Office*" and "*Main Objects of our Company*" on page 181.

Registered and Corporate Office

Concord Enviro Systems Limited
101, HDIL Towers
Anant Kanekar Marg, Bandra (East)
Mumbai- 400051
Maharashtra, India

For changes in our Registered Office, see "*History and Certain Corporate Matters - Change in the Registered Office*" at page 181.

Corporate identity number and registration number

Corporate Identity Number: U45209MH1999PLC120599
Registration Number: 120599

Registrar of Companies

Our Company is registered with the Registrar of Companies situated at the following address:
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Our Board

Our Board comprises the following Directors as on the date of filing of this Draft Red Herring Prospectus**:**

Name	Designation	DIN	Address
Prayas Goel	Chairman and Managing Director	00348519	1101, Eben- Ezer Tagore Road, Santacruz West, Mumbai 400 054, Maharashtra, India
Prerak Goel	Executive Director	00348563	1101, Eben- Ezer Tagore Road, Santacruz West, Mumbai 400 054, Maharashtra, India
Shiraz Homi Bugwadia	Independent Director	01213884	13, Deepali, St. Cyril Road, Bandra West, Mumbai- 400 050
Prakash Dharshibhai Shah	Independent Director	00286277	S/O Darshibhai Shah, 503A, Mithila Apartment, S V Road, Kandivali West, Mumbai, Maharashtra- 400 067
Kamal Sandeep Shanbhag	Independent Director	09578441	Rustomjee Seasons B-801, MIG CHS IV Ltd, Gandhi Nagar Bandra East, Mumbai- 400 051
Rajesh R. Pai	Non- Executive Nominee Director	02930658	C-22, Mangirish Society, L. J. Road, Mahim, Mumbai - 400016

For brief profiles and further details of our Directors, see "*Our Management- Board of Directors*" on page 193.

Company Secretary and Compliance Officer

Priyanka Pramod Nayak
101, HDIL Towers
Anant Kanekar Marg, Bandra (East)
Mumbai- 400051

Maharashtra, India
Tel: +(91) 22 6704 9000
E-mail: cs@concordenviro.in

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the BRLMs or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode.

All Offer related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, UPI ID, PAN, date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder and ASBA Account number (for Bidders other than UPI Bidders using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of UPI Bidders using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue lead manager is required to compensate the investor for delays in grievance redressal in accordance with the circulars.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking.

Book Running Lead Managers

DAM Capital Advisors Limited
(Formerly IDFC Securities Limited)
One BKC, Tower C, 15th Floor, Unit No. 1511,
Bandra Kurla Complex, Bandra (East),
Mumbai – 400 051
Maharashtra, India
Tel: +91 (22) 4202 2500
E-mail: concordenviro.ipo@damcapial.in
Website: www.damcapital.in
Investor grievance e-mail: complaint@damcapital.in
Contact person: Gunjan Jain/ Nidhi Gupta
SEBI Registration No: MB/INM000011336

Equirus Capital Private Limited
12th Floor, C Wing
Marathon Futurex
N.M. Joshi Marg, Lower Parel
Mumbai-400 013
Maharashtra, India
Tel: +91 (22) 4332 0735
E-mail: concordenviro.ipo@equirus.com
Website: www.equirus.com
Investor grievance e-mail: investorsgrievance@equirus.com

Contact person: Vaibhav Shah
SEBI Registration No: INM000011286

Inter-se allocation of responsibilities among the Book Running Lead Managers

The following table sets forth the inter-se allocation of responsibilities for various activities among the Book Running Lead Managers:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, and positioning strategy	DAM Capital and Equirus	DAM Capital
2.	Due diligence of Company including its operations / management / business plans / legal etc., Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus. Ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of RHP, Prospectus, Offer Agreement, and Underwriting Agreements and RoC filing	DAM Capital and Equirus	DAM Capital
3.	Drafting and approval of all statutory advertisements	DAM Capital and Equirus	DAM Capital
4.	Drafting and approval all publicity material other than statutory advertisements as mentioned in point 3 above, including corporate advertising and brochures and filing of media compliance report with SEBI.	DAM Capital and Equirus	Equirus
5.	Appointment of Registrar and Ad agency (including coordination of agreements)	DAM Capital and Equirus	DAM Capital
6.	Appointment of all other intermediaries including Printer, Banker (s) to the Offer, Syndicate, Monitoring Agency, etc. (including coordination of all agreements)	DAM Capital and Equirus	Equirus
7.	Preparation of road show presentation and FAQs for the road show team	DAM Capital and Equirus	Equirus
8.	International institutional marketing of the Offer, which will cover, inter alia: • Institutional marketing strategy • Finalising the list and division of international investors for one-to-one meetings • Finalising international road show and investor meeting schedules	DAM Capital and Equirus	Equirus
9.	Domestic institutional marketing of the Offer, which will cover, inter alia: • Finalising the list and division of domestic investors for one-to-one meetings • Finalising domestic road show and investor meeting schedules	DAM Capital and Equirus	DAM Capital
10.	Conduct non-institutional marketing of the Offer	DAM Capital and Equirus	DAM Capital
11.	Conduct retail marketing of the Offer, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget • Finalising collection centres • Finalising centres for holding conferences for brokers etc. • Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material	DAM Capital and Equirus	Equirus
12.	Coordination with Stock Exchanges for anchor intimation, for book building software, bidding terminals and mock trading, 1% security deposit to the designated stock exchange.	DAM Capital and Equirus	Equirus
13.	Managing the book and finalization of pricing in consultation with Company and Selling Shareholder	DAM Capital and Equirus	DAM Capital
14.	Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve	DAM Capital and Equirus	Equirus

Sr. No.	Activity	Responsibility	Co-ordination
	essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post Offer report to SEBI.		

Syndicate Members

[●]

Legal Counsel to our Company as to Indian law

Trilegal
One World Centre
10th Floor, Tower 2A & 2B,
Senapati Bapat Marg,
Lower Parel (West),
Mumbai - 400 013
Tel: +(91) 22 4079 1000

Legal Counsel to the BRLMs as to Indian law

Induslaw
1502B, 15th Floor, Tower- 1C
One World Centre
Senapati Bapat Marg
Lower Parel, Mumbai- 400 013
Tel: +(91) 22 4920 7200

Legal Counsel to the BRLMs as to International law

Dentons US LLP
2000 McKinney
Avenue Suite 1900
Dallas, Texas 75201
Tel: +1 (214) 259 0952

Legal Counsel to AF Holdings

Bombay Law Chambers
15031, Kohinoor City, Phase II
Kurla (West), Mumbai 400 070
Maharashtra, India

Statutory Auditor to our Company

M/s. Deloitte Haskins & Sells LLP
One International Center, Tower 3, 27th – 32nd Floor,
Senapati Bapat Marg, Elphinstone Road (West),
Mumbai- 400 013, Maharashtra, India
Tel: +91 22 6185 4000

Email: manojdama@deloitte.com
Peer review number: 013179
Firm Registration number: 117366W/W-100018

Changes in the auditors

Except as disclosed below, there has been no change in the statutory auditors of the Company in the last three years preceding the date of this Draft Red Herring Prospectus:

Sr. No.	Particulars	Date of change	Reason for change
1.	M/s. Deloitte Haskins & Sells LLP Address: One International Center, Tower 3, 27th – 32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai- 400 013, Maharashtra, India Tel: +91 22 6185 4000 Email: manojdama@deloitte.com Peer review number: 013179 Firm Registration number: 117366W/W-100018	September 26, 2019	Appointment as Statutory Auditor
2.	M/s. B.S.R & Associates LLP Address: 4th Floor, Central B Wing & North C Wing, Nesco IT Park, Nesco Centre, Western Express Highway, Goregain (East), Mumbai 400063 Tel: +91 22 3989 6000 Email: jayeshthakkar@bsraffiliates.com Peer review number: 014273 Firm Registration number: 116231W/ W-100024	September 26, 2019	Completion of term as statutory auditor of our Company

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park,
L.B.S. Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel: +(91) 22 4918 6200
E-mail: concord.ipo@linkintime.co.in
Investor grievance E-mail: concord.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Syndicate Members

[●]

Banker(s) to the Offer

[●]

Escrow Collection Bank

[●]

Public Offer Bank

[●]

Refund Bank

[●]

Sponsor Bank(s)

[●]

Banker to our Company

ICICI Bank Limited

122, 1st Floor,
Capital Market Division,
Mumbai- 400 020
Maharashtra, India.
Tel: 022 66818817/ 6681900
Website: www.icicibank.com
CIN: L65190GJ1994PLC021012

Designated Intermediaries

Self-Certified Syndicate Banks

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

Eligible SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, UPI Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time. A list of SCSBs and mobile applications, which are live for applying in public issues using UPI mechanism is provided as 'Annexure A' for the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019.

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the stock exchange, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges athttp://www.bseindia.com/Markets/PublicIssues/brokercentresnew.aspx? and https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

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

Experts to the Offer

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

Our Company has received written consent dated June 30, 2022 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of the examination report dated June 29, 2022 relating to the Restated Consolidated Financial Information issued by them and included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "expert" and "consent" does not represent an "expert" or "consent" within the meaning under the U.S. Securities Act.

Our Company has received written consent dated June 30, 2022 from Shah Khandelwal Jain & Associates, Chartered Accountants to include their name as required under Section 26(5) of the Companies Act 2013 read with SEBI ICDR Regulations in this Draft Red Herring Prospectus as an "expert" as defined under Section 2(38) of the Companies Act 2013 in respect of the certificates for our Company and the Material Subsidiary, Rochem Separation Systems (India) Private Limited in relation to the statement of special tax benefits in connection with the Offer. The consent has not been withdrawn as of the date of this Draft Red Herring Prospectus.

Our Company has received written consents dated June 24, 2022 from Vishal Sunil Joshi, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received a written consent dated June 28, 2022 from Ethics Plus Public Accountants, Dubai, statutory auditors for our Material Subsidiaries, Concord Enviro FZE and BWT, to include its name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountants in respect of their Statement of Special Tax Benefits dated June 28, 2022, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated June 24, 2022 from Parikh and Kulkarni Consulting Engineers Private Limited, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company will appoint a credit rating agency registered with SEBI, as the monitoring agency to monitor utilization of the Net Proceeds, in accordance with Regulation 41 of the SEBI ICDR Regulations, prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus. For further details in relation to the proposed utilisation of the Net Proceeds, see "*Objects of the Offer*" on page 88.

Appraising Agency

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

Credit Rating

As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer.

IPO Grading

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

Debenture Trustees

As this is an Offer consisting only of Equity Shares, the appointment of a debenture trustee is not required.

Green Shoe Option

No green shoe option is contemplated under the Offer.

Filing of the Offer Documents

A copy of this Draft Red Herring Prospectus has been filed through the SEBI Intermediary Portal at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 and has been emailed to SEBI as specified in Regulation 25(8) of the SEBI ICDR Regulation and at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD."

A copy of the Red Herring Prospectus, along with the material documents and contracts required to be filed, will be filed with the RoC in accordance with Section 32 of the Companies Act and a copy of the Prospectus required to be filed under Section 26 of the Companies Act, will be filed with the RoC situated at Registrar of Companies, Maharashtra at Mumbai, and through the electronic portal at http://www.mca.gov.in/mcafoportal/loginvalidateuser.do.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms (and the Revision Forms) within the Price Band and the minimum bid lot, which will be decided by our Company and the Selling Shareholders in consultation with the BRLM, and if not disclosed in the Red Herring Prospectus, will be advertised in all editions [•] of [•] an English national daily newspaper, [•] editions of [•] a Hindi national daily newspaper and [•] edition of the Marathi newspaper (Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLM after the Bid/Offer Closing Date. For further details, see "*Offer Procedure*" on page 385.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the UPI Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

Each Bidder by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer. Additionally, allotment to each Non-Institutional Bidder shall not be less than the minimum application size, subject to the availability of Equity Shares in the Non - Institutional Portion, and the remaining Equity Shares, if any, shall be allotted on a proportionate basis.

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

Bidders should note that the Offer is also subject to (i) filing of the Prospectus with the RoC; and (ii) obtaining final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see "*Offer Structure*" and "*Offer Procedure*" on pages 382 and 385, respectively.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Terms of the Offer*" and "*Offer Procedure"* on pages 376 and 385, respectively.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement. It is proposed that pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, specified therein.

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

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and actual allocation in accordance with provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board / IPO Committee, will at its meeting accept and enter into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment set forth in the table above.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and will be executed after determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC.

CAPITAL STRUCTURE

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

(*in ₹, except share data*)

		Aggregate nominal value	Aggregate value at Offer Price [(1)]
A	**AUTHORIZED SHARE CAPITAL**		
	40,000,000 Equity Shares of face value ₹5 each	200,000,000	-
	225,000 Compulsorily Convertible Non-Cumulative Preference Shares of face value of ₹ 1,000 each	225,000,000	
	Total	425,000,000	
B	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER[(5)]**		
	851,120 Equity Shares of face value of ₹5 each	4,255,600	-
	3,762 Series A Compulsorily Convertible Non-Cumulative Preference Shares of face value of ₹ 1,000 each	3,762,000	
	1,294 Series A1 Compulsorily Convertible Non-Cumulative Preference Shares of face value of ₹ 1,000 each	1,294,000	
	2,943 Series A2 Compulsorily Convertible Non-Cumulative Preference Shares of face value of ₹ 1,000 each	2,943,000	
	Total	**12,254,600**	
C	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Offer of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹ [●] million [(1) (2)]	[●]	[●]
	which includes		
	Fresh Issue of up to [●] Equity Shares of face value of ₹5 each aggregating up to ₹ 1,750 million [(1) (4)]	[●]	1,750,000,000
	Offer for Sale of up to 3,569,180 Equity Shares of face value ₹5 each aggregating up to ₹ [●] million [(3)]	17,845,900	[●]
D	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER[(1)]**		
	[●] Equity Shares of face value ₹5 each	[●]	-
E	**SHARE PREMIUM ACCOUNT**		
	Before the Offer (as on the date of Draft Red Herring Prospectus)		913,029,000
	After the Offer [(1)]		[●]

(1) To be included upon finalization of the Offer Price.

(2) The Offer has been authorised by our Board pursuant to its resolution dated June 15, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to their resolution dated June 22, 2022. Further, our Board has taken on record the consent of the Selling Shareholders to participate in the Offer for Sale pursuant to a resolution passed at its meeting held on June 30, 2022.

(3) Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares being offered by it have been held by it for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, and are accordingly eligible for being offered for sale pursuant to the Offer in terms of Regulation 8 of the SEBI ICDR Regulations. For further details of authorizations received for the Offer, see "Other Regulatory and Statutory Disclosures" on page 364.

(4) Our Company may, in consultation with the BRLM, consider undertaking a Pre-IPO Placement. If our Company undertakes the Pre-IPO Placement, the Fresh Issue size will be reduced to the extent of such Pre-IPO Placement, subject to the Offer constituting at least 10% of the post-Offer paid up Equity Share capital of our Company.

(5) Upon conversion of 7,999 CCPS held by AF Holdings into 2,879,640 Equity Shares (as adjusted for the Bonus Issuance) prior to filing of the Red Herring Prospectus with RoC, and consummation of the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, our total issued capital will be 18,199,800 Equity Shares of face vale ₹5 each aggregating to a nominal value of ₹90,999,000.

For details of the changes to the authorised share capital of our Company in the last 10 years, please see "*History and Certain Corporate Matters*" on page 181:

Notes to the Capital Structure

1. **Share capital history of our Company:**

(a) Equity Share capital of our Company

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

Date of allotment*	Number of equity shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reasons/ nature of allotment	Name of Allottees	Cumulative no. of equity shares	Cumulative paid-up equity share capital (in ₹)
June 23, 1999	20	100	100	Cash	Subscription to the MOA	10 equity shares were allotted to Bimal Kumar Goel and 10 equity shares were allotted to Kamlesh Kumar Goel pursuant to initial subscription to the MOA.	20	2,000
December 13, 2001	980	100	100	Cash	Further Issue	490 equity shares were allotted to Bimal Kumar Goel and 490 equity shares were allotted to Kamlesh Kumar Goel.	1,000	100,000
January 31, 2007	30,500	100	100	Cash	Further Issue	5,800 equity shares were allotted to Bimal Kumar Goel, 12,100 equity shares were allotted to Nidhi Goel and 12,600 equity shares were allotted to Namrata Goel.	31,500	3,150,000
December 17, 2009	30	100	63,333.33	Cash	Further Issue	30 equity shares were allotted to India Waste Water Treatment Company	31,530	3,153,000
February 16, 2011	11,026	100	38,091.78	Cash[#]	Conversion of CCPS to Equity Shares	Allotment pursuant to conversion of 420,000 CCPS of face value of ₹ 1,000 held by India Water Treatment Company into 11,026 equity shares of face value of ₹ 100.[#]	42,556	4,255,600
Pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, 20,00,000 equity shares of face value of ₹ 100 each of our Company were sub-divided into 40,000,000 Equity Shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 42,556 equity shares of face value of ₹ 100 each was sub-divided into 851,120 Equity Shares of face value of ₹ 5 each.								

* *Subject to receipt of requisite corporate and regulatory approvals and approval of shareholders in a general meeting in accordance with the applicable law, our Company proposes to undertake a bonus issue of Equity Shares in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, which shall be undertaken no later than filing of the Red Herring Prospectus with the RoC. The total Equity Shares issued pursuant to the bonus issue shall not exceed 14,469,040 Equity Shares.*

[#] *Consideration was received by the Company at the time of allotment of the CCPS.*

(b) ***Preference Share capital of our Company***

The following table sets forth the history of the preference share capital (which is currently outstanding) of our Company:

Date of allotment	Number of CCPS allotted	Face value per CCPS (₹)	Issue price per CCPS(₹)	Reasons / Nature of Allotment	Nature of consideration	Name of Allottees	Cumulative no. of CCPS	Cumulative paid-up preference share capital
August 7, 2015	3,762	1,000	90,250.26	Further Issue	Cash	3,762 Series A CCPS were allotted to AF Holdings.	3,762	3,762,000
April 5, 2016	1,294	1,000	77,279.75	Further Issue	Cash	1,294 Series A1 CCPS were allotted to AF Holdings.	5,056	5,056,000

Date of allotment	Number of CCPS allotted	Face value per CCPS (₹)	Issue price per CCPS(₹)	Reasons / Nature of Allotment	Nature of consideration	Name of Allottees	Cumulative no. of CCPS	Cumulative paid-up preference share capital
October 27, 2017	2,943	1,000	77,303	Further Issue	Cash	2,943 Series A2 CCPS were allotted to AF Holdings.	7,999[#]	7,999,000

[#] *7,999 CCPS held by AF Holdings shall be converted into 2,879,640 Equity Shares (as adjusted for the Bonus Issuance) prior to the filing of the Red Herring Prospectus with the RoC.*

2. **Shares issued for consideration other than cash**

Except as stated above in '*Notes to the Capital Structure- Share Capital history of our Company*, our Company has not issued any Equity Shares or CCPS for consideration other than cash since its incorporation.

3. **Shares issued for consideration out of revaluation reserves**

Our Company has not issued any Equity Shares or CCPS out of revaluation reserves since its incorporation.

4. **Allotment of shares pursuant to schemes of arrangement**

Our Company has not issued or allotted any Equity Shares or CCPS pursuant to any schemes of arrangement approved under sections 391-394 of the Companies Act, 1956 or sections 230 – 234 of the Companies Act, 2013, as applicable

5. **Issue of shares under employee stock option schemes**

No Equity Shares have been issued under the employee stock option schemes. For details, see "*Notes to the Capital Structure- Share Capital history of our Company- – Equity share capital of our Company*" on page 78.

6. **Issue of shares at a price lower than the Offer Price in the last one year**

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

7. **Shareholding pattern of our Company**

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

Category (I)	Category of shareholder (II)	Number of shareholders (III)	Number of fully paid up equity shares held (IV)	Number of Partly paid-up equity shares held (V)	Number of shares underlying Depository Receipts (VI)	Total number of shares held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)				Number of shares Underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
								Class e.g.: Equity Shares	Class e.g.: CCPS	Total								
(A)	Promoters and Promoter Group	6	616,100	-	-	616,100	72.39%	616,100	-	616,100	60.93%	-	60.93%	-	-	-	-	616,100
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
©	Non Promoter-Non Public	1	235,020	-	-	235,020	27.61%	235,020	159,980*	395,000	39.07%	159,980*	39.07%	-	-	-	-	235,020
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total	**7**	**851,120**	**-**	**-**	**851,120**	**100%**	**851,120**	**159,980**	**1,011,100**	**100%**	**159,980**	**100%**	**-**	**-**	**-**	**-**	**851,120**

* *Assuming conversion of 7,999 CCPS which are currently held, into 159,980 Equity Shares of face value ₹5 each. The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.*

Note: Upon conversion of 7,999 CCPS held by AF Holdings into 2,879,640 Equity Shares (as adjusted for the Bonus Issuance) prior to filing of the Red Herring Prospectus with RoC, and pursuant to the consummation of the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, our total issued capital will be 18,199,800 Equity Shares of face vale ₹5 each aggregating to a nominal value of ₹90,999,000. The details set out in the above table excludes the Equity Shares to be allotted pursuant to the aforesaid Bonus Issuance. For further details, please see "Offer Document Summary – Details of Proposed Bonus Issue" on page 24.

8. As on the date of this Draft Red Herring Prospectus, our Company has seven Shareholders.

9. **Details of shareholding of the major Shareholders of our Company**

a) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as on the date of this Draft Red Herring Prospectus, and 10 days prior the filing of the Draft Red Herring Prospectus, on a fully diluted basis:

S. No.	Shareholder	Number of Equity Shares (of face value of ₹ 5 each)*	Percentage of pre-Offer Equity Share capital (%)	Number of Equity Shares on a fully diluted basis and including the effect of Bonus Issuance (of face value of ₹ 5 each)##	Percentage of pre-Offer Equity Share capital on a fully diluted basis and including the effect of Bonus Issuance (%)
1.	AF Holdings	395,000#	39.07	7,110,000**	39.07
2.	Pushpa Goel	92,420	9.14	1,663,560	9.14
3.	Prayas Goel	282,720	27.96	5,088,960	27.96
4.	Prerak Goel	177,960	17.60	3,203,280	17.60
5.	Namrata Goel	29,500	2.92	531,000	2.92
6.	Nidhi Goel	31,500	3.12	567,000	3.12
	Total	**1,009,100**	**99.81**	**18,163,800**	**99.81**

Assuming conversion of 7,999 CCPS which are currently held, into 159,980 Equity Shares of face value ₹5 each. The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.

* *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

Assuming consummation of the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.

** *Assuming conversion of 7,999 CCPS which are currently held, into 2,879,640 Equity Shares of face value ₹5 each (as adjusted for the Bonus Issuance). The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.*

b) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus and two years prior to the date of this Draft Red Herring Prospectus, on a fully diluted basis:

S. No.	Shareholder	Number of equity shares on a fully diluted basis (of face value of ₹ 100 each)*	Percentage of pre-Offer equity share capital on a fully diluted basis (%)
1.	AF Holdings	19,750**	39.07
2.	Pushpa Goel	12,600	24.92
3.	Prayas Goel	7,530	14.89
4.	Prerak Goel	7,525	14.88
5.	Namrata Goel	1,575	3.12
6.	Nidhi Goel	1,575	3.12
	Total	**50,555**	**100.00**

* *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

** *Assuming conversion of 7,999 CCPS which are currently held, into 7,999 Equity Shares of face value ₹100 each (as per the conversion ratio applicable at the time, i.e. without giving effect to the (i) split of face value of our Equity Shares from ₹ 100 each to ₹ 5 each, and (ii) Bonus Issuance). The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.*

10. **Details of Shareholding of our Directors and Key Managerial Personnel in our Company**

Except as disclosed in "*Our Management – Shareholding of Directors in our Company*" on page 197, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

11. **History of Equity Share capital build-up, contribution and lock-in of Promoters' shareholding**

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

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 460,680 Equity Shares (excluding Equity Shares to be acquired pursuant to the proposed Bonus Issuance) aggregating to (a) 54.13% of the issued, subscribed and paid-up Equity Share capital of our Company, and (b) 45.56 % of the issued, subscribed and paid-up

Equity Share capital (on a fully diluted basis, assuming conversion of the CCPS), of our Company. Set forth below is the build-up of the equity shareholding of our Promoters, since incorporation of our Company.

Date of allotment/transfer/ buyback/ acquisition of Equity Shares	Number of Equity Shares	Face value per Equity share(₹)	Issue/ Transfer/ Buyback/ Acquisition price per Equity Share(₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer Equity Share capital of the Company (%)	Percentage of post-Offer Equity Share capital of the Company (%)
1. *Prayas Goel*							
August 11, 2009	7,875	100	100	Cash	Transfer of Shares from Namrata Goel	18.51	[●]
August 7, 2015	(345)	100	86,206.90	Cash	Transfer of Shares to AF Holdings	(0.81)	[●]
April 26, 2022	6,606	100	N.A.	N.A.	Gift from Pushpa Goel	15.52	[●]
Pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, 14,136 equity shares of face value of ₹ 100 each held by Prayas Goel were sub-divided into 282,720 equity shares of face value of ₹ 5 each.							
Total	**282,720***					**33.22****	
2. Prerak Goel							
August 11, 2009	7,875	100	100	Cash	Transfer of Shares from Nidhi Goel	18.51	[●]
August 7, 2015	(350)	100	86, 206.90	Cash	Transfer of Shares to AF Holdings	(0.82)	[●]
April 26, 2022	1,373	100	N.A.	N.A.	Gift from Pushpa Goel	3.22	[●]
Pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, 8,898 equity shares of face value of ₹ 100 each held by Prerak Goel were sub-divided into 177,960 equity shares of face value of ₹ 5 each.							
Total	**177,960***					**20.91****	

* *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

** *Calculated as per the issued, paid up, and subscribed share capital of our Company as on the date of this Draft Red Herring Prospectus, without giving effect to the conversion of the CCPS (held by AF Holdings) and Bonus Issuance. For details of shareholding of Promoters on a fully diluted basis, assuming conversion of the CCPS, please see "Aggregate Pre-Offer shareholding of our Promoters, our Promoter Group, and Selling Shareholders" on page 20.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Further, none of the Equity Shares held by our Promoters are pledged or otherwise encumbered.

The entire shareholding of our Promoters is in dematerialised form as of the date of this Draft Red Herring Prospectus.

12. **Details of Shareholding of our Promoter Group in our Company**

Except as disclosed below, the members of the Promoter Group (other than our Promoters) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus:

Sr. No.	Name	Number of Equity Shares of face value ₹5 held*	% of pre-Offer share capital	% of post-Offer share capital
1.	Namrata Goel	29,500	3.47	[●]
2.	Nidhi Goel	31,500	3.70	[●]
3.	Pushpa Goel	92,420	10.86	[●]
4.	Krttika Goel	2,000	0.23	[●]

* *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue.*

Except as disclosed below under "- *Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters and members of the Promoter Group, Selling Shareholders and shareholders entitled with rights to nominate directors or any other rights*" on page 24, none of the members of the Promoter Group, our Promoters, and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

For details of acquisitions by our Promoters and members of the Promoter Group during the period, please see "*Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters (including the Promoter Selling Shareholders) and members of the Promoter Group*" on page 24.

13. **Details of Promoter's contribution and lock-in**

a) Pursuant to Regulations 14 and 16 (1) of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoters, except for the Equity Shares offered pursuant to the Offer for Sale, shall be locked in for a period of eighteen months as minimum Promoter's contribution ("**Minimum Promoter's Contribution**") from the date of Allotment and the shareholding of the Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment, as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. Under Regulation 16 of the SEBI ICDR Regulations, "capital expenditure" means civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. For details of objects of the Offer, see "*Objects of the Offer*" at page 88.

b) Details of the Equity Shares to be locked-in for 18 months from the date of Allotment as Minimum Promoter's Contribution are set forth in the table below*:

Name of the Promoters	Number of Equity Shares locked-in	Date of allotment of Equity Shares and when made fully paid-up	Nature of transaction	Face Value per Equity Share (₹)	Issue/ Acquisition price per Equity Share (₹)	Date up to which the securities shall be locked-in	Percentage of the pre-Offer paid-up capital (%)	Percentage of the post-Offer paid-up capital (%)
[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]	[●]
	[●]				[●]	[●]	[●]	[●]

* *To be included in the Prospectus.*

c) Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the Minimum Promoters' Contribution. The Equity Shares required to fulfil the Promoters' Contribution will be contributed by our Promoters through the Equity Shares arising out of the Bonus Issuance in favour of our Promoters, which will be undertaken in a ratio of 17:1 on the existing Equity Shares, prior to filing of the Red Herring Prospectus with RoC, which will be eligible towards the Minimum Promoters' Contribution in terms of the SEBI ICDR Regulations. An undertaking to that effect has been obtained from each of the Promoters *vide* their letter dated June 30, 202.

d) Our Promoters have agreed not to dispose, sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

For details on the build – up of the Equity Share capital held by our Promoters, see *"Capital Structure - Details of Shareholding of our Promoters, members of the Promoter Group in our Company*" on page 81.

e) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Minimum Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations.

In this connection, we confirm the following:

(i) The Equity Shares offered for Minimum Promoter's Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash and involving any revaluation of assets or capitalisation of intangible assets in such transaction, (b) resulting from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or resulted from bonus shares issued against Equity Shares, which are otherwise ineligible for computation of Minimum Promoter's Contribution.

(ii) The Minimum Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer.

(iii) Our Company has not been formed by the conversion of one or more partnership firms or of a limited liability partnership firm into a Company and hence no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

(iv) The Equity Shares held by our Promoters and offered for Minimum Promoters' Contribution are not subject to any pledge; and

(v) All the Equity Shares held by our Promoters are held in dematerialised form as on the date of the Draft Red Herring Prospectus.

14. **Details of equity share capital locked-in for six months**

Pursuant to Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company (including those Equity Shares held by our Promoters in excess of the Minimum Promoter's Contribution) shall be locked-in for a period of six months from the date of Allotment in the Offer, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares held by the eligible employees (whether currently employees or not) of our Company which have been allotted to them under an employee stock option scheme, prior to the Offer, except as required under applicable law; (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that (a) such Equity Shares shall be locked in for a period of at least six months from the date of purchase by such VCF or Category I AIF or Category II AIF or FVCI; and (b) such VCF or AIF of category I or category II or a FVCI holds, individually or with persons acting in concert, less than 20% of pre-Offer Equity Share capital of the Company (on a fully diluted basis); and (iv) as otherwise permitted under the SEBI ICDR Regulations. Additionally, in accordance with Regulation 8A of the SEBI ICDR Regulations, as the Offer is in compliance with Regulation 6(2), the relaxation from lock-in period provided under Regulation 17(c) of the SEBI ICDR Regulations shall not be available to any Shareholder(s) holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of our Company on fully diluted basis. Further, any unsubscribed portion of the Offered Shares will also be locked in, as required under the SEBI ICDR Regulations.

15. **Recording on non-transferability of Equity Shares locked-in**

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

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

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in the following manner: There shall be a lock-in of 90 days on 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment, and a lock-in of 30 days on the remaining 50% of the Equity Shares Allotted to the Anchor Investors from the date of Allotment.

17. **Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, as mentioned above, may be pledged as collateral security for a loan granted by a scheduled commercial bank, a public financial institution, NBFC-SI or a deposit taking housing finance company, subject to the following:

(i) with respect to the Equity Shares locked-in for six months from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan; and

(ii) with respect to the Equity Shares locked-in as Minimum Promoter's Contribution for eighteen months from the date of Allotment, the loan must have been granted to our Company or its subsidiaries for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters which are locked-in, may be transferred to any member of our Promoter Group or to any new promoter, subject to continuation of lock-in, in the hands of such transferee, for the remaining period and compliance with provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired..

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons (other than our Promoters) prior to the Offer and locked-in for a period of six months, may be transferred to any other person holding Equity Shares

which are locked-in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock-in in the hands of such transferee and compliance with the applicable provisions of the Takeover Regulations, as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired. However, it should be noted that the Offered Shares which will be transferred by the Selling Shareholders pursuant to the Offer for Sale shall not be subject to lock-in.

Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters and members of the Promoter Group, Selling Shareholders and shareholders entitled with rights to nominate directors or any other rights

Except as disclosed below, none of the promoters or other members of the promoter group, selling shareholders or shareholders entitled with rights to nominate directors or any other rights have acquired any equity shares preceding three years:

Name of acquirer	Date of acquisition	Number of equity shares acquired	Nature of Consideration	Face value per equity share (₹)	Acquisition price per equity share
Prayas Goel	April 26, 2022	6,606	Acquisition by way of gift	100	N.A.
Prerak Goel	April 26, 2022	1,373	Acquisition by way of gift	100	N.A.
Krttika Goel	June 1, 2022	100	Acquisition by way of gift	100	N.A.

18. **Employee Stock Option Schemes**

*Concord Enviro Employee Stock Option Plan 2022 ("**the ESOP 2022 Scheme**")*

Our Company, pursuant to the resolution passed by our Board on June 21, 2022 and Shareholders on June 22, 2022, adopted the ESOP 2022 Scheme. The total number of options available under the Scheme and which are exercisable should not be more than 20,600 Equity Shares. The Nomination and Remuneration Committee has been authorised to administer the Scheme.

The ESOP 2022 Scheme is administered by the Nomination and Remuneration Committee. The objective of the ESOP 2022 Scheme is, among others, to reward the Employees for their association, retention, dedication and contribution to the goals of the Company.

No options have been granted under ESOP 2022 Scheme, as on the date of this Draft Red Herring Prospectus, as certified by Martinho Ferraro & Associates, through a certificate dated June 29, 2022. ESOP 2022 Scheme is in compliance with the SEBI SBEB Regulations 2021.

19. Except for Equity Shares which may be issued pursuant to the to the (i) Pre-IPO Placement of Equity Shares, (ii) Fresh Issue of Equity Shares, (iii) conversion of CCPS, (iv) Bonus Issuance, and (v) exercise of options which may be granted under the ESOP 2022 Scheme, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.

20. Except as disclosed above, none of the members of the Promoter Group, our Promoters, and / or our Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus. For details of acquisitions by our Promoters and members of the Promoter Group during the period, please see "*Acquisition of equity shares in the immediately preceding three years (including the immediately preceding one year) by our Promoters (including the Promoter Selling Shareholders) and members of the Promoter Group*" on page 24.

21. There have been no financing arrangements whereby our Promoters, members of the Promoter Group, and / or our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of this Draft Red Herring Prospectus.

22. All Equity Shares issued pursuant to the Offer shall be fully paid-up at the time of Allotment and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

23. As on the date of this Draft Red Herring Prospectus, the BRLMs, their respective associates, as defined under the SEBI Merchant Bankers Regulations, do not hold any Equity Shares. The BRLMs, their respective associates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

24. Our Company shall ensure that any transaction in the Equity Shares by our Promoters and the members of the Promoter Group during the period between the date of this Draft Red Herring Prospectus and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of such transaction.

25. Our Company, the Promoters, our Directors and the BRLMs have no existing buyback arrangements or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.

26. Except for the CCPS, there are no outstanding convertible securities or warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares as on the date of this Draft Red Herring Prospectus.

27. The Offer is being made through the Book Building Process in terms of Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being transferred from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 0.20 million up to ₹1 million and two-thirds shall be reserved for Bidders with Bids exceeding ₹1 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion), and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being transferred from them at or above the Offer Price. All potential Bidders (except Anchor Investors) are mandatorily required to utilise the ASBA process providing details of their respective ASBA accounts and UPI ID in case of UPI Bidders using the UPI Mechanism, as applicable, pursuant to which their corresponding Bid Amount will be blocked by SCSBs) or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Offer through the ASBA Process. For further details, see "*Offer Procedure*" on page 385.

28. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

29. Except to the extent of the Offer for Sale by the Promoters and certain members of Promoter Group, our Promoters and the other members of our Promoter Group will not participate in the Offer.

30. No person connected with the Offer, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group, Group Companies or Selling Shareholders, shall offer or make payment of any incentive, whether direct or indirect, in any manner, in the nature of discount, commission and allowance, whether in cash or kind or services or otherwise to any Bidder for making a Bid, except for fees or commission for services rendered in relation to the Offer.

31. Neither the (i) BRLMs or any associate of the BRLMs (other than mutual funds sponsored entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs); nor (ii) any person related to the Promoters or Promoter Group can apply under the Anchor Investor Portion.

32. Except for Equity Shares which may be issued pursuant to the to the (i) Pre-IPO Placement of Equity Shares, (ii) Fresh Issue of Equity Shares, (iii) conversion of CCPS, (iv) Bonus Issuance, and (v) exercise of options which may be granted under the ESOP 2022 Scheme, there will be no further issue of Equity Shares whether by way of preferential allotment,

rights issue or in any other manner during the period commencing from the date of filing of the Draft Red Herring Prospectus with SEBI until Equity Shares have been listed in the Stock Exchanges.

33. Other than as disclosed in "*Notes to the Capital Structure – Share capital history of our Company",* our Company has not undertaken any public issue of securities or any rights issue of any kind or class of securities since its incorporation.

OBJECTS OF THE OFFER

The Offer comprises of a Fresh Issue of up to [●] Equity Shares, aggregating up to ₹ 1,750 million by our Company and an Offer for Sale of up to 3,569,180 Equity Shares, aggregating up to ₹ [●] million by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale after deducting their proportion of Offer expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale by the Selling Shareholders and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For details of the Selling Shareholders, including the aggregate amount of Offer for Sale by the Selling Shareholders, see "*Other Regulatory and Statutory Disclosures – Authority for the Offer*" on page 364.

Fresh Issue

Our Company proposes to utilize the Net Proceeds towards funding the following objects (collectively, referred to herein as the "**Objects**"):

1. Investment in our Material Subsidiary, Concord Enviro FZE ("**CEF**") in relation to financing the construction of an assembly unit ("**Assembly Unit**") in Sharjah International Airport Free Zone;

2. Investment in our Material Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") for funding its working capital requirements;

3. Investment in our Material Subsidiary, CEF for funding its working capital requirements;

4. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiaries namely, RSSPL, Blue Water Trading and Treatment FZE ("**BWT**") and CEF; and

5. General Corporate Purposes.

In addition, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges.

The main objects and objects incidental and ancillary to the main objects of our Memorandum of Association enable our Company and the memorandum of association of RSSPL, BWT and CEF enables them to undertake (i) existing activities, (ii) the activities proposed to be funded from the Net Proceeds, and (iii) the activities towards which the loans proposed to be repaid or pre-paid from the Net Proceeds were utilised.

Net Proceeds

The details of the Net Proceeds are summarised in the table below:

(in ₹ million)

Particulars	Estimated Amount
Gross proceeds of the Fresh Issue[(1)(2)]	1,750
Less: Offer expenses to the extent applicable to the Fresh Issue [(3)]	[●]
Net Proceeds	**[●]**

(1) To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.

(2) Includes the proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares issued pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to completion of the Offer. If the Pre-IPO Placement is undertaken, the Fresh Issue size will be reduced by the amount raised from the Pre-IPO Placement and the minimum Offer size shall constitute at least 10% of the post-Offer paid-up Equity Share capital of our Company subject to compliance with Rule 19(2)(b) of the SCRR.

(3) For further details, see "Offer Expenses" on page 98.

Proposed schedule of Implementation and deployment of Net Proceeds

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

(in ₹ million)

S. No	Particulars	Amount to be funded from Net Proceeds	Estimated amount to be deployed from the Net Proceeds		
			Financial Year 2023	Financial Year 2024	Financial Year 2025
1.	Investment in our Material Subsidiary, CEF in relation to the financing the construction of the Assembly Unit	180.00	Nil	144.64	35.36
2.	Investment in our Material Subsidiary, RSSPL for funding its working capital requirements	300.00	100.00	200.00	Nil
3.	Investment in our Material Subsidiary, CEF for funding its working capital requirements	300.00	200.00	100.00	Nil
4.	Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiaries namely, RSSPL, BWT and CEF	665.00	665.00	Nil	Nil
5.	General corporate purposes[(1)]	[●]	[●]	[●]	[●]
	Total Net Proceeds	**[●]**	**[●]**	**[●]**	[●]

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

(2) Total estimated cost as per report dated June 27, 2022, issued by Parikh and Kulkarni Consulting Engineers Private Limited, in respect of the Assembly Unit.

The deployment of funds indicated above is based on management estimates, current circumstances of our business, the prevailing market conditions and other commercial and technical factors. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See "*Risk Factors – "Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on page 51. Given the nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business strategy and external factors such as market conditions, the COVID – 19 pandemic, competitive environment and interest or exchange rate fluctuations and other external factors which may not be within the control of our management. Depending upon such factors, we may have to reduce or extend the deployment period for the stated Objects. This may entail rescheduling or revising the planned expenditure, implementation schedule and funding requirements, including the expenditure for a particular purpose, at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the Gross Proceeds in accordance with Regulation 7(2) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in the Offer, subject to compliance with applicable laws. For details, see "*Risk Factors – "Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders' approval*" on page 43.

Our Company proposes to deploy the entire Net Proceeds towards the Objects. If the Net Proceeds are not utilized (in full or in part) for the Objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

Details of the Objects

1. Investment in our Subsidiary, CEF in relation to financing the construction of the Assembly Unit

As part of our growth strategy, our Subsidiary, CEF, proposes to construct the Assembly Unit to assemble systems and plants for treatment of water and wastewater and related membrane modules. The Assembly Unit shall consist of the following components:

(a) A main building, comprising of two buildings, namely building I and building II;

(b) An open area with foundation for providing an assembly and storage area for the containerised systems and plants;

(c) A compound wall for the areas where there is no boundary;

(d) An underground water tank;

(e) An overhead water tank on Buildings I and II;

(f) A sewage collection pit;

(g) A fire water tank;

(h) Two waste water tanks (one each for domestic waste and process waste);

(i) A recycled water tank; and

(j) A processed solid waste area 5T bin.

The Assembly Unit is being set up at Plot T6-02, Saif Zone, Sharjah, U.A.E. over a parcel of land admeasuring 129,167 sq. ft. ("**Project Land**"), with 21,304 sq. ft demarcated for buildings I and II, 17,517 sq. ft demarcated for assembly area without foundation and 90,346 sq. ft. has been demarcated for the open area. The Project Land was leased by our Subsidiary, CEF from Sharjah Airport International Free Zone, Government of Sharjah pursuant to a tenancy contract dated June 16, 2022. As per the tenancy contract, the lease is for an initial term of one year and automatically renews every year. The annual rent is fixed for the first nine years can be increased up to a maximum of 25% every five years for a period up to 25 years. The Assembly Unit will assemble modules, elements and systems for water and wastewater treatment. The products will include both current and new design membrane module products and will help expand the production capacity for membrane module and systems assembly in order to cater to the international markets of our Company. All the expenses in connection with the lease of the Project Land have been borne through CEF's internal accruals.

Our Company proposes to utilise ₹ 180.00 million from the Net Proceeds for investment in CEF for financing the construction of the Assembly Unit. The investment by our Company in CEF is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be decided by our Company. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that the said investment will also result in increase in the value of the investment made by our Company in CEF. CEF proposes to utilise the entire investment towards funding the construction of the Assembly Unit.

Capacity and schedule of implementation

Buildings I and II collectively, have an air-conditioned office of 2,000 sq. ft on the Mezzanine floor. The open area shall be spread over an area of 17,517 sq. ft. The underground water tank has a capacity of 20 kilolitres, with 15 kilolitres capacity for freshwater and 5 kilolitres capacity for grey water. The processed solid water area has a bin with a capacity of 5 tonnes. The product-wise assembling capacity for the Assembly Unit is as under:

S. No.	Type of product	Capacity
1.	Membrane Elements	2,000 nos. per month
2.	WHE Modules	50,000 sq. mtrs. per year
3.	Containerised Plants	36 Units per year

The construction of the Assembly Unit is scheduled to be completed within a period of 12-16 months and is expected to commence assembly operations by July 2023 and date of commencement of commercial operations on October 1, 2024 as certified by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant pursuant to their report dated June 27, 2022.

Utilities

The Project Land is located within a free trade zone called the Sharjah International Airport Free Trade Zone ("**SAIF Zone**") developed by the Government of Sharjah. The required electrical connection for the Assembly Unit is 45 HP and the estimated water consumption shall be 20,000 litre per day. The utilities such as water and electricity are provided by the Sharjah Electricity and Water Authority ("**SEWA**") and relevant applications in respect of the extension of such facilities shall be made to SEWA prior to the commencement of work on the Assembly Unit.

Estimated Cost

The total estimated cost for construction of the Assembly Unit is ₹ 180.00 million, as certified by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant pursuant to their report dated June 27, 2022. The fund requirements, the deployment of funds and the intended use of the Net Proceeds for the Assembly Unit as described herein are based on the current business plan of our Company and our Subsidiary, CEF, management estimates, and other commercial and technical factors, as certified by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant, pursuant to their report dated June 27, 2022. However, such total estimated cost and

related fund requirements have not been appraised by any bank or financial institution. The total estimated cost for constructing the Assembly Unit comprises the following:

S. No.	Particulars	Area (in sq. ft. unless specified otherwise)	Construction rate (per unit in ₹)*	Estimated Cost (₹ million)*
(i)	Building 1	10,652	3,983.10	42.43
	Mezzanine	2,000	1,483.90	2.97
(ii)	Building 2	10,652	3,983.10	42.43
	Mezzanine	2,000	1,483.90	2.97
(iii)	Open area with foundation for assembly of containerised systems	17,517	1,718.20	30.10
(iv)	Compound and Infra Works including sewage collection pit, fire water tank, overhead water tank, wastewater tank and recycled water tank	129,120	312.40	40.34
(v)	Underground Water Tank	20,000 litres	78.10	1.56
(vi)	MEP cost including, firefighting, internals, waste collection bins etc.	1	1,00,52,774.27	10.05
(vii)	Miscellaneous Costs & Contingencies	N.A.	N.A.	7.16
	Total		**N.A.**	**180.00**

As certified by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant, pursuant to their report dated June 27, 2022.

* *Assuming exchange rate of ₹ 78.10 per 1 USD as on June 13, 2022. Source: www.fbil.org.in.*

1. *The MEP costs cover the required electrical, mechanical, fire fighting, HVAC etc.*
2. *The above costs and estimates have been arrived at by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant in their report dated June 27, 2022, which has been prepared for the Assembly Unit on a turnkey basis based on the current prices in UAE. The costs and estimates are valid till September 2023.*

The current estimates and specifications in relation to construction of the Assembly Unit are based on the current design and layout. Further, CEF may place orders as per requirements of the facility or make any changes in design or technical requirements or make scheduled payments in relation to the orders for various materials, instruments, civil work and any other requirements (including services) in relation to the Assembly Unit. Such payments shall be funded through by our Company through funds infused into CEF in the form of debt or equity or a combination of both or internal accruals of CEF. Accordingly, details of the amount to be financed from the aforementioned investment by our Company in CEF may be subject to change in the future. CEF is yet to place any orders for the Assembly Unit to purchase the utilities, undertake construction activities, the MEP works etc. and as on the date of this Draft Red Herring Prospectus, no payments have been made towards these items.

Other expenses

In addition to estimated expenses mentioned above, there may be additional costs incurred towards freight charges, installation and commissioning charges, transportation, insurance, exchange rate fluctuations, import duty, applicable taxes etc. in relation to the Assembly Unit, which shall be met from internal accruals of CEF.

As the Assembly Unit will be utilised solely for assembly, storage and allied facilities, there is no requirement for installation of any plant, machinery or equipment. No second-hand or used equipment and machinery is proposed to be purchased out of the Net Proceeds.

The break-up of the estimated costs is based on management estimates and could be subject to change in the future. In the event of any change in the breakup of the estimated cost, the Net Proceeds may be appropriately distributed across the above cost-heads to adjust any decrease or increase in cost under any of the headings stated above. For further details see "*Risk Factors – We have incurred significant capital expenditure during the last three Fiscal Years. We may require substantial financing for our business operations and planned capital expenditure and the failure to obtain additional financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability* " and "*Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and may be subject to change based on various factors, some of which are beyond our control*" on pages 42 and 51.

Government approvals

In relation to the Assembly Unit, CEF is required to obtain approvals from certain governmental and / or local authorities. The details of material approvals to be obtained is provided below as certified by Parikh and Kulkarni Consulting Engineers Private Limited, the Project Management Consultant pursuant to a report dated June 27, 2022.

S. No.	Name of the approval	Name of the Authority	Stage at which approval required
1.	Civil Defense Approval	Sharjah Civil Defense (Ministry of Interior)	Pre-construction

S. No.	Name of the approval	Name of the Authority	Stage at which approval required
2.	Electricity, Water, Sewage (Utilities) Approvals	SEWA	Pre-construction
3.	Design & Engineering Approval	Engineering Department, SAIF Zone	Pre-construction
4.	Building Permit	Engineering Department, SAIF Zone	Construction
5.	Civil Defense NOC	Sharjah Civil Defense (Ministry of Interior)	Completion
6.	SEWA NOC	SEWA	Completion
7.	SAIF Zone NOC	Engineering Department, SAIF Zone	Completion

CEF shall submit necessary applications with the relevant authorities for obtaining all statutory and regulatory approvals as applicable, at the relevant stages as indicated in the above table. The time period required for obtaining each of the above approvals is typically expected to be around three months. In the event of any unanticipated delay in receipt of such approvals, the proposed schedule of implementation and deployment of the Net Proceeds may be extended or may vary accordingly. For further details on the pending applications in relation to the Proposed Factory, see "*Government and other approvals*" and "*Risk Factors – We require various regulatory approvals and licenses for the purpose of our business. Our inability to obtain, maintain or renew such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, or maintaining the required filings and registers under such required laws, may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.*" on pages 261 and 37, respectively.

2. Investment in RSSPL for funding its working capital requirements

We propose to utilise up to ₹ 300.00 million from the Net Proceeds to fund the working capital requirements of our Subsidiary, RSSPL in Fiscals 2022, 2023 and 2024. The investment in the future working capital requirements of RSSPL will help us in meeting the expected growth in demand for the products and services of RSSPL such industrial wastewater reuse and zero liquid discharge solutions. Such working capital enhancement will help RSSPL to capitalise on the growth opportunities and expand into the new markets. The investment by our Company in RSSPL is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

Basis of estimation of working capital requirement and estimated working capital requirement

(a) Existing working capital

Set forth below is the working capital of our Subsidiary, RSSPL based on the standalone audited financial statements as of and for the nine month period ended December 31, 2021 and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

(in ₹ million)

S. No.	Particulars	Amount as of December 31, 2021	Amount as of March 31, 2021	Amount as of March 31, 2020	Amount as of March 31, 2019
(A)	**Current Assets**	**2,165.88**	**2,209.60**	**2,716.38**	**2,086.70**
	Inventories	955.10	886.04	1,161.84	875.77
	Trade receivables	937.79	1,175.16	1,362.99	1,121.34
	Other current assets	272.99	148.40	191.55	89.59
(B)	**Current Liabilities**	**1,115.25**	**1,149.48**	**1,576.59**	**1,272.15**
	Trade payables	935.73	997.07	1,264.00	1,085.02
	Other current liabilities	179.52	152.41	312.59	187.13
(C)	**Net working capital requirements**	1,050.63	1,060.12	1,139.79	814.55
	Working capital funds from banks including bill discounting	566.83	541.65	673.44	497.48
	Internal accruals and equity	483.80	518.47	466.35	317.07

As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, through its certificate dated June 30, 2022.

(b) Future working capital requirements

On the basis of the existing working capital requirements and the projected working capital requirements, our Board and the board of RSSPL, pursuant to their respective resolutions dated June 21, 2022, have approved the projected

working capital requirements of RSSPL for Fiscals 2022, 2023 and 2024 and the proposed funding of such working capital requirements as stated below.

(in ₹ million)

S. No.	Particulars	Amount as on March 31, 2022	Amount as of March 31, 2023	Amount as of March 31, 2024
(A)	**Current Assets**	**2,309.30**	**2,618.19**	**3,014.17**
	Inventory	894.78	1,017.57	1,161.31
	Trade receivables	1,220.45	1,387.15	1,618.04
	Other current assets	194.07	213.47	234.82
(B)	**Current Liabilities**	**1,113.55**	**1,287.48**	**1,465.09**
	Trade payables	943.65	1,100.59	1,259.51
	Other current liabilities	169.90	186.89	205.58
(C)	**Net working capital requirements**	**1,195.75**	**1,330.71**	**1,549.08**
	Working capital funds from banks including bill discounting	567.69	450.00	450.00
	Internal accruals and equity	628.06	780.71	799.08
	Proceeds from the Offer[#]	-	100.00	300.00

Proceeds from the Offer as of March 31, 2024 is a cumulative amount for fiscals i.e. Fiscal 2023 & Fiscal 2024.

As per Report issued by Shah Khandelwal Jain & Associates, Chartered Accountants, dated June 30, 2022.

(c) Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for Fiscal 2019, Fiscal 2020, Fiscal 2021 as well as projections for Fiscal 2022, Fiscal 2023 and Fiscal 2024.

	Amount as on March 31, 2024	Amount as on March 31, 2023	Amount as on March 31, 2022	Amount as on December 31, 2021	Amount as on March 31, 2021	Amount as on March 31, 2020	Amount as on March 31, 2019
	Assumption*	**Assumption***	**Assumption***	**On actuals[#]**	**On actuals[#]**	**On actuals[#]**	**On actuals[#]**
Current Assets							
Inventory	186	192	202	342	193	227	206
Trade receivables	149	149	155	184	149	154	145
Other current assets	22	23	25	54	19	22	12
Current Liabilities							
Trade account payables	116	118	120	184	127	143	141
Other current liabilities	19	20	22	35	19	35	24

**As per Report issued by Shah Khandelwal Jain & Associates, Chartered Accountants, dated June 30, 2022.*

[#]As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, through its certificate dated June 30, 2022.

(d) Key Justifications

The working capital projections made by RSSPL are based on certain key justifications, as set out below.

Particulars	Assumptions and Justifications
Current Assets	
Inventories	Historically, RSSPL inventory levels are high. RSSPL requires sufficient inventory to meet requirements from its manufacturing segment for uninterrupted internal production. Simultaneously RSSPL has to ensure timely availability of products for its operation & maintenance (O&M) service and other spare parts requirement from its customers. RSSPL has maintained inventory for 193 - 227 days between March 31, 2019 to March 31, 2021 and 342 days for 9 months as at December 31, 2021. Accordingly, RSSPL has assumed –186 - 202 days of inventory for the Fiscal ended March 31, 2022, 2023 and 2024.

Particulars	Assumptions and Justifications
Trade receivables	RSSPL had 145 - 155 days of receivables between March 31, 2019 to March 31, 2021 and 184 days for 9 months as at December 31, 2021, which it continues to maintain at levels of 149-155 days for Fiscal ended March 31, 2022, 2023 and 2024.
Other current assets	RSSPL's holding level for other current assets is 12-22days of revenue from operations for the Fiscal ended March 31, 2019, 2020, 2021 and 54 days for 9 months as at December 31, 2021. RSSPL estimates to maintain other current assets at 22-25 days for the Fiscals 2022, 2023 and 2024.
Current Liabilities	
Trade payables	Historical holding period for trade payables is between 127 -143 days for F.Y.2019, 2020, 2021 and 184days for 9 months as at December 31, 2021 of revenue from operations. RSSPL ensures to improve payment cycle for uninterrupted supply for raw materials and get best bargain for purchases. RSSPL will maintain the trade payables at 116-120 days for Fiscals 2022, 2023 and 2024.
Other current liabilities	RSSPL has assumed the holding level for other current liabilities at 19-22 days of revenue from operations for the projected Fiscals 2022, 2023 and 2024 which is line with historical performance of RSSPL.

As per Report issued by Shah Khandelwal Jain & Associates, Chartered Accountants, dated June 30, 2022.

3. Investment in our Subsidiary, CEF for funding its working capital requirements

We propose to utilise up to ₹ 300 million from the Net Proceeds to fund the working capital requirements of our Subsidiary, CEF in Fiscals 2022, 2023 and 2024. The investment in the future working capital requirements of CEF will allow us to better serve our existing customers in the international markets, develop our operations and expand our distribution channels in the overseas market. The investment by our Company in CEF is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus.

Basis of estimation of working capital requirement and estimated working capital requirement

(a) Existing working capital

Set forth below are the working capital requirements of CEF based on the audited financial statements for March 31, 2019, March 31, 2020, 2021 and the special purpose financial statement for the period ended Dec. 31, 2021

(in ₹ million)

S. No.	Particulars	Amount as of December 31, 2021	Amount as of March 31, 2021	Amount as of March 31, 2020	Amount as of March 31, 2019
(A)	**Current Assets**	**586.92**	**766.04**	**1,005.68**	**568.28**
	Due from related party	65.57	-	73.39	65.10
	Inventory	140.41	84.32	196.60	169.70
	Trade receivables	269.57	404.01	480.95	218.07
	Prepayments, deposits and receivables	111.37	277.71	254.74	115.41
(B)	**Current Liabilities**	**144.88**	**151.98**	**534.15**	**343.71**
	Due to related party	75.69	104.54	446.65	229.82
	Trade account payables	27.74	29.75	31.44	3.58
	Accruals and other payables	41.45	17.69	56.05	110.30
(C)	**Net working capital requirements**	**442.04**	**614.06**	**471.53**	**224.57**
	Trust receipt from Banks	-	27.07	72.66	16.65
	Internal accruals and equity	442.04	587.00	398.88	207.92

As certified by Ethics Plus Public Accountants, Dubai, UAE, through its certificate dated June 29, 2022.

(b) Future working capital requirements

On the basis of the existing working capital requirements and the projected working capital requirements, our Board and the board of CEF, pursuant to their respective resolutions dated June 21, 2022 have approved the projected working

capital requirements for Fiscal 2022, Fiscal 2023 and Fiscal 2024, and the proposed funding of such working capital requirements as stated below.

(in ₹ million)

S. No.	Particulars	Amount as of March 31, 2022	Amount as of March 31, 2023	Amount as of March 31, 2024
(A)	**Current Assets**	**575.22**	**862.84**	**992.26**
	Inventory	86.94	130.41	149.97
	Trade receivables	338.90	508.35	584.60
	Prepayments, deposits and receivables	149.39	224.08	257.69
(B)	**Current Liabilities**	**109.36**	**164.05**	**188.65**
	Due to related party	44.95	67.43	77.54
	Trade account payables	34.75	52.12	59.94
	Accruals and other payables	29.67	44.50	51.17
(C)	**Net working capital requirements**	**465.86**	**698.79**	**803.61**
	Trust Receipt from Banks	21.31	40.76	29.99
	Internal accruals and equity	444.55	458.03	473.62
(D)	Total	465.86	498.79	503.61
	Proceeds from the Offer[#]	-	200.00	300.00

Proceeds from the offer as of March 31, 2024 is a cumulative amount for fiscals i.e. Fiscal 2023 & Fiscal 2024

As certified by Ethics Plus Public Accountants, Dubai, UAE, through its certificate dated June 29, 2022.

(c) Assumptions for working capital requirements

The following table sets forth the details of the holding period (with days rounded to the nearest whole number) considered for Fiscal 2019, Fiscal 2020, Fiscal 2021 as well as projections for Fiscal 2022, Fiscal 2023 and Fiscal 2024.

	Amount as on March 31, 2024	Amount as on March 31, 2023	Amount as on March 31, 2022	Amount as on December 31, 2021	Amount as on March 31, 2021	Amount as on March 31, 2020	Amount as on March 31, 2019
	Assumption	Assumption	Assumption	On actuals	On actuals	On actuals	On actuals
Current Assets							
Inventory	50	50	55	137	35	53	133
Trade receivables	138	138	138	163	127	116	141
Prepayments, deposits and receivables	80	80	80	64	117	91	73
Current Liabilities							
Due to related party	26	26	28	74	43	121	180
Trade account payables	20	20	22	27	12	8	3
Accruals and other payables	26	20	45	60	33	34	112

As certified by Ethics Plus Public Accountants, Dubai, UAE, through its certificate dated June 29, 2022.

(d) Key Justifications

The working capital projections made by CEF are based on certain key justifications, as set out below.

Particulars	Assumptions and Justifications
Current Assets	
Inventories	CEF maintained average inventory for 89 days between March 31, 2019 to December 31, 2021. This is required to ensure uninterrupted production. CEF has assumed inventory in the range of 50 - 55 days for the Fiscal ended March 31, 2022, 2023 and 2024.
Trade receivables	CEF had receivables for 116 - 163 days between March 31, 2019 to December 31, 2021, which are assumed to be at 138 days for Fiscal ended March 31, 2022, 2023 and 2024

Particulars	Assumptions and Justifications
Prepayments, deposits and receivables	CEF's holding level for other current assets is 73 - 117days of total current assets for the Fiscal ended March 31, 2019, 2020, 2021 & Dec 2021. CEF estimates other current assets to be in line with the historical business performance at 80 Days for the Fiscals 2022, 2023 and 2024.
Current Liabilities	
Due to related party	CEF has improved payment cycle to related party to ensure uninterrupted supply for raw materials. Historical trend ranges between 43 days to 180 days for F.Y.2019, 2020, 2021 & 2022 (9 months). and it estimates to maintain the dues to related parties at 26-28 days in Fiscals 2022, 2023 and 2024.
Trade account payables	Historically, CEF's holding level for trade payables range between 3-27 days for the Fiscal ended March 31, 2019, 2020, 2021 & 2022 (9 months) which is estimated at 20-21 days for the Fiscals 2022, 2023 and 2024.
Accruals and other payables	CEF had accruals and other payables ranging between 133 - 112 days between March 31, 2019 to December 31, 2021, which it assumes to be between 20 - 45 days for Fiscal ended March 31, 2022, 2023 and 2024.

As certified by Ethics Plus Public Accountants, Dubai, UAE, through its certificate dated June 29, 2022.

4. Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiaries, RSSPL, BWT and CEF

Our Material Subsidiaries, RSSPL, BWT and CEF have entered into various borrowing arrangements with banks and financial institutions including borrowings in the form of working capital facilities, term loans and cash credit facilities. For details of these financing arrangements including indicative terms and conditions, see "*Financial Indebtedness*" on page 351. As at May 31, 2022, our Subsidiaries had total outstanding borrowings of 1,598.41 million.

Our Company intends to utilize an estimated amount of ₹ 665 million from the Net Proceeds towards partial or full repayment or prepayment of all or a portion of certain outstanding borrowings availed by our Material Subsidiaries, namely RSSPL, BWT and CEF. The investment by our Company in RSSPL, BWT and CEF is proposed to be undertaken in the form of equity or debt or a combination of both or in any other manner as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Draft Red Herring Prospectus. We believe that such repayment or prepayment will help reduce the outstanding indebtedness of our Subsidiaries RSSPL, BWT and CEF and debt servicing costs and enable utilization of the internal accruals for further investment towards business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund potential business development opportunities.

The selection of borrowings proposed to be prepaid or repaid amongst the borrowing arrangements availed by our Material Subsidiaries will be based on various factors, including (i) cost of the borrowing, including applicable interest rates, (ii) any conditions attached to the borrowings restricting our ability to prepay/ repay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of such conditions, (iii) receipt of consents for prepayment from the respective lenders, (iv) terms and conditions of such consents and waivers, (v) provisions of any laws, rules and regulations governing such borrowings, and (vi) other commercial considerations including, among others, the amount of the loan outstanding and the remaining tenor of the loan.

In addition to the above, we may, from time to time, enter into fresh financing arrangements with banks and financial institutions. In such cases or in case any of the borrowings proposed to be repaid/ pre-paid out of Net Proceeds, are repaid, refinanced or pre-paid or further drawn-down or freshly drawn-down, within existing limits or enhanced limits, prior to the completion of the Offer, we may utilize the Net Proceeds towards repayment or pre-payment of any such additional borrowings. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional borrowings availed, if any or otherwise), in part or full, would not exceed ₹ 665 million. The amounts proposed to be prepaid and / or repaid against each borrowing facility below is indicative and our Company may utilize the Net Proceeds to prepay and / or repay the facilities disclosed below in accordance with commercial considerations, including amounts outstanding at the time of prepayment and / or repayment.

The following table provides details of certain loans and facilities availed by our Material Subsidiaries RSSPL, BWT and CEF as at May 31, 2022 out of which we propose to repay or prepay, in full or in part, any or all of the below mentioned loans and/or facilities, an amount aggregating up to ₹ 665 million from the Net Proceeds:

Sr. No.	Name of the lender*	Nature of loan facility availed	Sanctioned amount (₹ in million)	Loan amount outstanding as on May 31, 2022(1) (₹ in million)	Amount of utilisation towards working capital requirement	Rate of interest	Repayment schedule/ Tenure	Prepayment penalty	Purpose for which the loan was sanctioned (1)
				RSSPL					
1.	IDFC First Bank Limited**	Working capital demand loan	250.00	93.86	90.99	CC - 1yr MCLR+1.25%**	12 months / or payable on demand	2%	Working capital requirements
2.	IndusInd Bank Limited	Working capital demand loan	250.00	135.00	135.00	CC - 1yr MCLR+1.05%**	12 months / or payable on demand	2%	Working capital requirements
3.	Aditya Birla Finance Limited	Term Loan	69.10	54.14	62.70	Present LTRR minus 7.10%	60 months	N.A.	For funding outstanding retention money of RSSPL post margin of 20%
				BWT					
4.	AF Holdings**	Capital expenditure and working capital	232.24	77.41	232.24	USD LIBOR + 7%	36 months	N.A.	Capital expenditure and working capital requirements
				CEF					
5.	Global Climate Partnership Fund S.A, SICAV-SIF**	Capital expenditure and working capital	464.48	464.48	464.48	6.25%	10 equal instalments from June 15, 2022 to December 15, 2026	90 Banking Days prior written notice with 2% penalty	Capital expenditure and working capital requirements of our Company and our Subsidiary, Blue Water Trading and Treatment FZE
		Total	**1,265.82**	**824.89**	**985.41**				

(1) In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, the Company has obtained:

(i) a report of factual findings dated June 30, 2022, from the Statutory Auditors in connection with agreed-upon procedures performed with respect to the Statement of Utilisation of Loan for the Purpose Availed by Rochem Separation Systems (India) Private Limited, a subsidiary of Concord Enviro Systems Limited as at May 31, 2022; and

(ii) reports of factual findings dated June 28, 2022, from the Ethics Plus Public Accountants, Auditors of BWT and CEF in connection with agreed-upon procedures performed with respect to Statement of Utilisation of Loan by BWT and Statement of Utilisation of Loan by CEF, subsidiaries of Concord Enviro Systems Limited.

* *Additionally, our Company may avail additional loan facilities or draw down its existing facilities from time to time to meet its business requirements. Accordingly, our Company may utilise the Net Proceeds for repayment/prepayment of any such refinanced facilities (including any prepayment fees or penalties thereon), any additional facilities obtained by our Company or working capital borrowings outstanding at the time of utilising the Net Proceeds. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, will not exceed ₹ 665 million.*

** *Working capital facilities availed from AF Holdings and IDFC First bank Limited and the term loan availed from Global Climate Partnership Fund S.A., SICAV-SIF in USD are restated assuming conversion rate is ₹ 77.43 per 1 USD as at May 31, 2022.*

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, payment of interest, or premium, if any, and other related costs required to be paid under the terms of the relevant financing agreements, such prepayment penalties, payment of interest, or premium, if any, and other related costs shall be paid by our Company out of its internal accruals. We will take such provisions also into consideration while deciding repayment and pre-payment of identified loans from the Net Proceeds. If the Net Proceeds are insufficient for making payments for such pre-payment penalties or premiums, such excessive amount shall be met from our internal accruals.

5. General corporate purposes

The Net Proceeds will first be utilized towards the Objects as set out above. Subject to this, our Company intends to deploy any balance Net Proceeds towards general corporate purposes and the business requirements of our Company and our Subsidiaries, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations.

Such general corporate purposes may include, but are not restricted to meeting fund requirements which our Company may face in the ordinary course of business, any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, investment in our Subsidiaries and meeting working capital requirements incurred in the ordinary course of business towards salaries and wages, rent, administration expenses, meeting exigencies and expenses 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, 2013.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our Company's management shall have flexibility in utilising surplus amounts, if any, in accordance with applicable law.

Means of Finance

The fund requirements set out above are proposed to be funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Fresh Issue.

Offer related expenses

Except for (i) listing fees and stamp duty payable on issue of Equity Shares pursuant to Fresh Issue, which shall be solely borne by our Company, and (ii) the stamp duty payable on transfer of Offered Shares which shall be borne solely by the respective Selling Shareholder, our Company and the Selling Shareholders will share the costs and expenses (including all applicable taxes) directly attributable to the Offer, (including fees and expenses of the Lead Managers, legal counsel and other intermediaries, advertising and marketing expenses (other than corporate advertisements expenses undertaken in the ordinary course of business by the Company), printing, underwriting commission, procurement commission (if any), brokerage and selling commission and payment of fees and charges to various regulators in relation to the Offer) in proportion to the number of Equity Shares issued and Allotted by the Company through the Fresh Issue and sold by each of the Selling Shareholders through the Offer for Sale. The Company agrees to advance the cost and expenses of the Offer and the Company will be reimbursed by each of the Selling Shareholders for their respective proportion of such costs and expenses upon successful completion of the Offer. The Selling Shareholders agree that such payments, expenses and taxes, will be deducted from the proceeds from the sale of Offered Shares, in accordance with Applicable Law and as disclosed in the Offer Documents, in proportion to its respective Offered Shares. Notwithstanding anything contained herein or in any other documentation relating to the Offer, the Company agrees to advance the cost and expenses of the Offer and will be reimbursed by the Selling Shareholder for their respective proportion, as provided above, of such costs and expenses: (i) upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer directly from the public offer account. In the event of failure of the offer or withdrawal of the DRHP, the Company shall bear all such expenses and the Selling Shareholder shall not be required to reimburse any expenses to the Company.

The total expenses of the Offer are estimated to be approximately ₹ [●] million. The expenses of this Offer include, amongst others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsels, fees payable to the Registrar to the Offer, Escrow Bank and Sponsor Bank(s) to the Offer, processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The estimated Offer expenses are as follows:

(*₹ in million*)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses	As a % of the total Offer size
Fees payable to the BRLMs and commissions (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs(1)(2)	[●]	[●]	[●]
Fees payable to the Registrar to the Offer	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees to regulators, including Stock Exchanges	[●]	[●]	[●]
Others (1) Listing fees, SEBI, BSE and NSE processing fees, book building software fees and other regulatory expenses; (2) Printing and distribution of stationery; (3) Fees payable to legal counsels; and (4) Fees payable to the statutory auditors, independent chartered accountants, chartered engineer, project consultant.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

* *Offer expenses include goods and services tax, where applicable.*

Offer expenses will be incorporated at the time of filing of the Prospectus. Offer expenses are estimates and are subject to change.

A. *Selling commission payable to members of the Syndicate, SCSBs, RTAs and CDPs on the amounts received against the Equity Shares Allotted (i.e. product of the Equity Shares Allotted and the Offer Price) would be as follows:*

Portion for Retail Individual Investors	*[●]% (plus applicable goods and services tax)*
Portion for Non-Institutional Investors	*[●]% (plus applicable goods and services tax)*

Further, bidding charges of ₹ [●] (plus applicable goods and services tax) shall be per valid ASBA Form collected by the Syndicate, RTAs and CDPs (excluding applications made by UPI Bidders using the UPI Mechanism). The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges. No additional bidding charges shall be payable to SCSBs on the Bid cum Application Forms directly procured by them. Selling commission payable to the Registered Brokers on the portion for Retail Individual Investors and Non-Institutional Investors, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, shall be ₹ [●] per valid Bid cum Application Form (plus applicable goods and services tax).

B. *Processing fees payable to the SCSBs for Bid cum Application Forms which are procured by the Registered Brokers / RTAs / CDPs and submitted to the SCSB for blocking shall be ₹ [●] per valid Bid cum Application Form (plus applicable taxes).*

Processing fees for applications made by UPI Bidders using the UPI Mechanism would be as follows:

RTAs / CDPs/ Registered Brokers	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)*
Sponsor Bank	*₹ [●] per valid Bid cum Application Form (plus applicable taxes)* *The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, the NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, agreements and other Applicable Laws.*

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

Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, as amended. In accordance with Section 27 of the Companies Act 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are required to be repaid from the Net Proceeds. However, prior to filing of the Red Herring Prospectus with the RoC, subject to market conditions and commercial considerations, if any such borrowings are availed, our Company would

repay or prepay, as may be applicable, the principal outstanding amount from the Net Proceeds. Further, any interest payments, overheads or ancillary payments to be made shall be funded out of the internal accruals of our Company.

Monitoring of Utilization of Funds

In accordance with Regulation 41 of the SEBI ICDR Regulations, our Company shall appoint Monitoring Agency, prior to filing the Red Herring Prospectus with the RoC for monitoring the utilization of Net Proceeds (excluding the Pre-IPO Proceeds), as the Fresh Issue size exceeds ₹1,000 million. Our Audit Committee and the Monitoring Agency will monitor the utilisation of the Net Proceeds (excluding the Pre-IPO Proceeds), and the Monitoring Agency shall submit the report required under Regulation 41(2) of the SEBI ICDR Regulation, on a quarterly basis, until such time as the Net Proceeds have been utilised in full. However, the Monitoring Agency will not monitor the utilisation of funds, if any, received pursuant to the Pre-IPO Placement. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose and continue to disclose, the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such fiscal periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilized, till the time any part of the Fresh Issue proceeds remains unutilised.

Our Company will also, in its balance sheet for the applicable fiscal periods, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our quarterly consolidated results. As our Company intends to utilize a portion of the Net Proceeds towards potential acquisitions and strategic initiatives, details pertaining to which, as and when the investment is undertaken, will be published on the website of our Company and will be disclosed to the Stock Exchanges in accordance with Regulation 30 and Part A of Schedule III, of the SEBI Listing Regulations.

Pursuant to Regulation 32(3) and Part C of Schedule II, of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company and such certification shall be provided to the Monitoring Agency. Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the utilisation of the Net Proceeds from the Objects of the Offer as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects of the Offer as stated above.

This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Variation in objects of the Fresh Issue

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects of the Offer unless our Company is authorized to do so by way of a special resolution of its Shareholders and such variation will be in accordance with the applicable laws including the Companies Act 2013 and the SEBI ICDR Regulations. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details and be published in accordance with the Companies Act 2013.

The notice will be published in the newspapers, one in English and one in Marathi (Marathi being the regional language of Maharashtra, where our Registered Office is located). Pursuant to Sections 13(8) and 27 of the Companies Act, 2013, 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, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations.

Appraising entity

None of the Objects of the Fresh Issue for which the Net Proceeds will be utilized have been appraised by any bank/financial institution/ any other agency.

Other confirmations

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds with our Promoters, members of the Promoter Group, Directors, Group Companies or Key Managerial Personnel. No part of the Net Proceeds will be paid to our Directors, Promoters, members of the Promoter Group, Selling Shareholders, our Group Companies or our Key

Managerial Personnel, except (i) to the extent of any proceeds received pursuant to the sale of Offered Shares proposed to be sold in the Offer by the Selling Shareholders and (ii) repayment of loan availed by AF Holdings.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 5 each and the Floor Price is [●] times the face value of Equity Shares and Cap Price is [●] times the face value of Equity Shares.

Bidders should read the below mentioned information along with "*Our Business*", "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 154, 88, 215 and 297, respectively, to have an informed view before making an investment decision.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Poised to capitalise on opportunities in wastewater reuse and zero liquid discharge;
- Integrated solutions provider supported by backward integrated manufacturing facilities;
- Diversified customer base across industry sectors and geographies;
- Strong focus on innovation supported by R&D and design capabilities;
- Healthy financial performance to support growth; and
- Experienced Promoters and management team.

For further details, see "*Our Business – Competitive Strengths*" on page 156.

Quantitative Factors

Certain information presented below, relating to our Company, is derived from the Restated Consolidated Financial Statements. For further details, see "*Financial Information*" on page 215.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS") at face value of ₹ 5, as adjusted for changes in capital:

As derived from the Restated Consolidated Financial Statements:

Financial Period	Basic EPS (in ₹)[(1)]	Diluted EPS (in ₹)[(1)]	Weight
Financial Year 2021	321.57	321.57	3
Financial Year 2020	127.58	127.58	2
Financial Year 2019	257.29	257.29	1
Weighted Average	246.19	246.19	
Nine months period ended December 31, 2021*	29.93	29.93	

* *Not annualised.*

Notes:

Basic EPS = Net Profit after tax, as restated, attributable to equity shareholders / Weighted average number of equity shares outstanding during the period / year

Diluted EPS = Net Profit after tax, as restated, attributable to equity shareholders / Weighted average number of diluted equity shares and potential equity shares outstanding during the period/ year

Notes:

(1) *Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights.*
(2) *The figures disclosed above are based on the Restated consolidated Financial Statements of our Company.*
(3) *The face value of each Equity Share is ₹ 5 each.*
(4) *Basic and diluted earnings/ (loss) per equity share: Basic and diluted earnings/ (loss) per equity share are computed in accordance with Indian Accounting Standard 33 notified under the Companies (Indian Accounting Standards) Rules of 2015 (as amended).*
(5) *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Information as appearing in "Restated Consolidated Financial Information" on page 222.*

(6) Pursuant to a resolution passed in extra-ordinary general meeting dated May 25, 2022, shareholders have approved split of each equity share of face value of ₹ 100 each into twenty equity shares of face value of ₹ 5 each (the "Split"). As required under Ind AS 33 "Earning per share" the effect of such split is required to be adjusted for the purpose of computing earning per share for all the period presented retrospectively. As a result, the effect of split has been considered for the purpose of calculating of earning per share.

2. Price/Earning ("P/E") ratio in relation to Price Band of ₹ [●] to ₹ [●] per Equity Share:

Particulars	P/E at the Floor Price (no. of times) *	P/E at the Cap Price (no. of times) *
Based on Basic EPS for Financial Year 2021	[●]	[●]
Based on Diluted EPS for Financial Year 2021	[●]	[●]

* *Will be populated in the Prospectus*

3. Industry P/E ratio

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry P/E ratio.

4. Return on Net Worth ("RoNW")

As derived from the Restated Consolidated Financial Statements of our Company:

Particulars	RoNW %	Weight
Financial Year 2021	(159.32)	3
Financial Year 2020	(35.85)	2
Financial Year 2019	(43.12)	1
Weighted Average	(98.80)	
Nine months ended December 31, 2021*	1.20	

* *Not annualised.*

Notes:

Return on Net Worth (%) = Restated profit for the period / year
Net-worth, as restated at the end of the relevant year / period

(1) Net Worth is calculated as the sum of equity share capital and other equity, less capital reserve on consolidation.

(2) The figures disclosed above are based on the Restated Consolidated Financial Information of our Company.

(3) Weighted average return on Net Worth = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

For details in relation to the reconciliation of return on net worth, as restated, see "Other Financial Information - Reconciliation of Non-GAAP measures - Reconciliation of restated net worth and return on restated net worth" on page 295.

5. Net Asset Value per Equity Share

Net Asset Value per Equity Share	(₹)
As on March 31, 2021	(173.67)
As on December 31, 2021	2,510.04
After the Offer	At the Floor Price: [●] At the Cap Price: [●]
Offer Price	[●]

Notes:

Net Asset Value per equity share = Net Asset Value
Weighted Average Number of equity shares outstanding as at the period / year end as considered for basic and diluted EPS

For details in relation to the reconciliation of return on restated net worth, see "Other Financial Information - Reconciliation of non-GAAP measures - Reconciliation of Net Asset Value per equity share" on page 295.

- *Further, subsequent to the nine months period ended 31st December 2021, the Board of Directors of the Company have approved the split of equity shares from ₹ 100 to ₹ 5 per share and the same has been duly approved by the Shareholders of the company in their meeting dated 25th May 2022. Hence, for the purpose of calculation of Net Asset Value per Equity Share, the number of equity shares outstanding at the end of the respective period/year have been considered after factoring in the aforementioned share split.*

6. Comparison of Accounting Ratios with Listed Industry Peers

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

STATEMENT OF SPECIAL TAX BENEFITS

STATEMENTS OF SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

To,

The Board of Directors
Concord Enviro Systems Limited
(*Formerly Concord Enviro Systems Private Limited)*
101, HDIL Towers,
Anant Kanekar Marg
Bandra (East)
Mumbai – 400051

Date: June 30, 2022

Dear Sir,

Subject: Statement of possible special tax benefits ("the Statement") available to Concord Enviro Systems Limited ("the Company") and its Shareholders prepared in accordance with the requirement under Schedule VI – Part A – Clause (9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

This report is issued in accordance with the terms of our Engagement Letter dated 6th April 2022.

1. The accompanying statement of possible special tax benefits (as Annexure I) available to the Company and its shareholders (hereinafter referred to as the "Statement") under the direct tax laws including the Income Tax Act, 1961 as amended by the Finance Act, 2022, and the indirect tax laws including the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 read with respective rules, regulations, circulars, notifications, orders, etc, presently in force in India as on the date of this Statement (hereinafter referred to as the "Indian Tax Regulations") has been prepared by the management of the Company ("Management") in connection with the proposed Offer, which we have initiated for identification purposes.

Management's Responsibility

2. The preparation of the Statement as of the date of our Certificate which is to be included in the draft red herring prospectus for the Offer is the responsibility of the Management and has been approved by the Board of Directors of the Company at its meeting held on June 21, 2022 for the purpose set out in paragraph 7 below the Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

3. Our work has been carried out in accordance with the Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the "SEBI ICDR Regulations") and the Companies Act, 2013, along with the rules thereunder, each as amended (the "Companies Act") it is our responsibility to report whether the Statement prepared by the

Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders as of June 29, 2022 in accordance with Indian Tax Regulations as at the date of our certificate.

5. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Companies Act and SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

6. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive and also do not cover any general tax benefits available to the Company.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a 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 Offer.

Further, we give no assurance that the revenue authorities /courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

7. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this certificate, to the Company and its shareholders, in accordance with the Indian Tax Regulations

Considering the matter referred to in paragraph 6 above, we are unable to express any opinion or provide any assurance as to whether:

i. The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

ii. The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

This certificate is addressed to and is provided to enable the Board of Directors of the Company to include this certificate in draft red herring prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Maharashtra at Mumbai as applicable.

Yours faithfully,

For and on behalf of
Shah Khandelwal Jain & Associates
Chartered Accountants
ICAI Firm Registration No: 142740W

Nishant Mundada
Partner
Membership No.: 134194
Place: Pune
Date: June 30, 2022
UDIN: 22134194ALZULA8143

Annexure I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CONCORD ENVIRO SYSTEMS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT TAX REGULATIONS ("TAX LAWS") IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as "the Act) as amended by the Finance Act 2022, applicable for Financial Year 2022-23 relevant to Assessment Year 2023-24.

This Annexure sets out only the special tax benefits that may be available to the Company and its shareholders under the Income Tax Act, 1961 ("Act") i.e. the Act as amended by the Finance Act, 2022 applicable for the Financial Year 2022-23 relevant to the Assessment Year 2023-24, presently in force in India.

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE TAX LAWS

1. Special tax benefits available to the Company under the Act

1.1. Deduction in respect of employment of new employees - Section 80JJAA of the Act

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

1.2. Deduction in respect of inter-corporate dividends Section 80M of the Act

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution tax ("DDT").

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

1.3. Lower corporate tax rate - Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act 2019 ("the Amendment Act, w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the deductions/exemptions as specified in the section (e.g. additional depreciation, deductions under chapter VI-A other than provisions of Section 80JJAA and 80M, Investment allowance in backward areas, expenditure on skill development etc.)

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Provided further that, where the company fails to satisfy the conditions mentioned in the section in any previous year, the option shall become invalid in respect of the assessment year relevant to the previous year and subsequent assessment years and other provisions of the Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year and subsequent assessment years.

2. Special tax benefits available to Shareholders

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above).

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Notes

2.1. This Annexure sets out only the tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 i.e. the Act as amended by the Finance Act, 2022 applicable for Financial year 2022-23 relevant to the Assessment year 2023-24, presently in force in India.

2.2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law.

2.3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

2.4. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other laws in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

2.5. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

2.6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO.

3. Special tax benefits available to the Shareholders

Securities/shares are specifically excluded under the definition of goods and services under GST. Further, dividend income does not qualify as supply under GST. Accordingly, GST is not applicable on purchase of shares by the shareholders and on the dividend income earned on the shares. Also, the shareholders of the Company are not entitled to any special tax benefits under GST.

For Concord Enviro Systems Limited

Managing Director

Place: Mumbai
Date: June 30, 2022

STATEMENTS OF SPECIAL TAX BENEFITS AVAILABLE TO ROCHEM SEPARATION SYSTEMS (INDIA) PRIVATE LIMITED AND ITS SHAREHOLDERS

To,

The Board of Directors
Concord Enviro Systems Limited
(*formerly Concord Enviro Systems Limited)*
101, HDIL Towers, Anant Kanekar Marg
Bandra (East)
Mumbai – 400051

The Board of Directors
Rochem Separation Systems (India) Pvt. Ltd.
101, HDIL Towers, Anant Kanekar Marg
Bandra (East)
Mumbai – 400051

Date: June 30, 2022

Dear Sir,

Subject: Statement of possible special tax benefits ("the Statement") available to Rochem Separation Systems(India) Private Limited("the Company") and its Shareholders prepared in accordance with the requirement under Schedule VI – Part A – Clause(9)(L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("the ICDR Regulations")

This report is issued in accordance with the terms of our Engagement Letter dated April 6, 2022.

1. The accompanying statement of possible special tax benefits (as Annexure I) available to the Company and its shareholders (hereinafter referred to as the "Statement") under the direct tax laws including the Income Tax Act, 1961 as amended by the Finance Act, 2022, and the indirect tax laws including the Central Goods and Services Tax Act, 2017 (read with Central Goods and Services Tax Rules, circulars, notifications and schemes), respective State Goods and Services Tax Act, 2017 (read with respective State Goods and Services Tax Rules, circulars, notifications and schemes), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), Goods and Services Tax (Compensation to States) Act, 2017 (read with Goods and Services Tax (Compensation to States) circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 read with respective rules, regulations, circulars, notifications,orders, etc, presently in force in India as on the date of this Statement (hereinafter referred to as the "Indian Tax Regulations")has been prepared by the management of the Company in connection with the proposed Offer, which we have initiated for identification purposes.

Management's Responsibility

2. The preparation of the Statement as of the date of our Certificate which is to be included in the draft red herring prospectus for the Offer is the responsibility of the Management and has been approved by the Board of Directors of the Company at its meeting held on June 21, 2022 for the purpose set out in paragraph 7 below the Management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditor's Responsibility

3. Our work has been carried out in accordance with the Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Service Engagements.

4. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended, (the "SEBI ICDR Regulations") and the Companies Act, 2013, along with the rules thereunder,

each as amended (the "Companies Act") it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available to the Company and its shareholders as of June 29, 2022 in accordance with Indian Tax Regulations as at the date of our certificate.

5. Our work is performed solely to assist the Management in meeting their responsibilities in relation to compliance with the Companies Act and SEBI ICDR Regulations in connection with the Offer.

Inherent Limitations

6. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the accompanying statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the respective tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive and also do not cover any general tax benefits available to the Company.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a 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 Offer.

Further, we give no assurance that the revenue authorities /courts will concur with our views expressed herein. Our views are based on the existing provisions of Indian Tax Regulations and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

Opinion

7. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this certificate, to the Company and its shareholders, in accordance with the Indian Tax Regulations.

Considering the matter referred to in paragraph 6 above, we are unable to express any opinion or provide any assurance as to whether:

iii. The Company or its shareholders will continue to obtain the benefits per the Statement in future; or

iv. The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

Restriction on Use

This certificate is addressed to and is provided to enable the Board of Directors of the Company to include this certificate in draft red herring prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India, concerned stock exchanges and Registrar of Companies, Maharashtra at Mumbai as applicable.

Yours faithfully,

For and on behalf of
Shah Khandelwal Jain & Associates
Chartered Accountants
ICAI Firm Registration No: 142740W

Nishant Mundada
Partner
Membership No.: 134194
Place: Pune
Date: June 30, 2022
UDIN: 22134194ALZUTC2953

Annexure I

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO ROCHEM SEPARATION SYSTEMS (INDIA) PRIVATE LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAX REGULATIONS ("TAX LAWS") IN INDIA

Under the Income-Tax Act, 1961 (hereinafter referred to as "the Act) as amended by the Finance Act 2022, applicable for Financial Year 2022-23 relevant to Assessment Year 2023-24.

This Annexure sets out only the special tax benefits that may be available to the Company and its shareholders under the Income Tax Act, 1961 i.e. the Act as amended by the Finance Act, 2022 applicable for the Financial Year 2022- 23 relevant to the Assessment Year 2023-24, presently in force in India.

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Tax Laws. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfil.

UNDER THE TAX LAWS

A. Special tax benefits available to the Company

1. Special tax benefits available to the Company under the Act

1.1. Deduction in respect of employment of new employees - Section 80JJAA of the Act

As per the provisions of section 80JJAA of the Act, a company subject to tax audit under section 44AB of the Act and whose gross total income includes any profit and gains derived from business shall be entitled to claim a deduction of an amount equal to thirty percent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided. The eligibility to claim the deduction is subject to fulfilment of prescribed conditions specified in sub-section (2) of section 80JJAA of the Act.

1.2. Deduction in respect of inter-corporate dividends Section 80M of the Act

Up to 31st March 2020, any dividend paid to a shareholder by a company was liable to Dividend Distribution tax ("DDT").

With respect to a resident corporate shareholder, a new section 80M has been inserted in the Act to remove the cascading effect of taxes on inter-corporate dividends during FY 2020-21 and thereafter. The section provides that where the gross total income of a domestic company in any previous year includes any income by way of dividends from any other domestic company or a foreign company or a business trust, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of such domestic company, a deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it on or before the due date. The "due date" means the date one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

1.3. Lower corporate tax rate - Section 115BAA of the Act

Section 115BAA of the Act has been inserted by the Taxation Laws (Amendment) Act 2019 ("the Amendment Act, w.e.f. April 1, 2020 (assessment year) granting an option to domestic companies to compute corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and cess of 4%), provided such companies do not avail the deductions/exemptions as specified in the section (e.g. additional depreciation, deductions under chapter VI-A other than provisions of Section 80JJAA and 80M, Investment allowance in backward areas, expenditure on skill development etc.)

In case a company opts for section 115BAA of the Act, provisions of Minimum Alternate Tax ["MAT"] under section 115JB of the Act would not be applicable and MAT credit of the earlier year(s) will not be available for set-off. The option needs to be exercised on or before the due date of filing the tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Provided further that, where the company fails to satisfy the conditions mentioned in the section in any previous year, the option shall become invalid in respect of the assessment year relevant to the previous year and subsequent

assessment years and other provisions of the Act shall apply, as if the option had not been exercised for the assessment year relevant to that previous year and subsequent assessment years.

2. Special tax benefits available to Shareholders

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholders, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above).

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Notes

3.1. This Annexure sets out only the tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 i.e. the Act as amended by the Finance Act, 2022 applicable for Financial year 2022-23 relevant to the Assessment year 2023-24, presently in force in India.

3.2. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law.

3.3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

3.4. The above statement covers only certain special tax benefits under the Act, read with the relevant rules, circulars and notifications and does not cover any benefit under any other law in force in India. This statement also does not discuss any tax consequences, in the country outside India, of an investment in the shares of an Indian company.

3.5. The above statement of special tax benefits is as per the current direct tax laws relevant for the assessment year 2023-24. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws.

3.6. This Annexure is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax arising out of their participation in the Proposed IPO

Indirect Taxation

3. This annexure sets out the special tax benefits that may be available to the Company and its shareholders under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 / relevant State Goods and Service Tax Act, 2017 read with rules, circulars and notifications ("GST Law"), the Custom Act, 1962 the Customs tariff Act, 1975 ("Custom Law"), as amended from time to time, and the foreign Trade policy 2015-20 ("FTP") as extended till March 31,2022 vide Notification No. 33/2015-DGFT dated September 28, 2021 (unless otherwise specified), presently in force in India.

4. Special tax benefits that may be available to the Company under the above-mentioned laws

4.1. Duty drawback scheme

Duty Drawback scheme was introduced as a rebate for customs duty chargeable on any imported materials or excisable materials used in manufacture or processing of goods, manufactured in India and exported. Duty drawback to the extent of 98 percent of the duty paid on certain imported goods can be claimed for re-export, provided the goods are re-exported within two years of payment of import duty subject to fulfilment of prescribed conditions.

4.2. Refund on exports under GST

The Company undertakes export of goods from Maharashtra. Under the GST regime, supplies of goods which are exported outside India are treated as zero-rated supplies. Such zero-rated supplies of goods can be undertaken without payment of integrated goods and service tax (IGST) under Bond/ Letter of Undertaking (LUT) as per Section 54 of

CGST Act, 2017 r.w Rule 89 of CGST Rules, 2017. Under this scenario, the exporter is allowed to claim refund of unutilized input tax credit on the payment of IGST against the export of Goods.

4.3. Lower/Nil rated GST Tax

Under the GST regime, under Notification No. 2/2018- Central Tax (Rate) Dated 25th January 2018, Supplies of goods to Municipal Corporations ("Governmental Authority") are treated as Nil-rated supplies. Under Notifications No. 20/2017-Central Tax (Rate) Dated 22nd August 2017 lower tax rate is applicable for supplies to the Government, a local authority or a Governmental authority by way of construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, or alteration of, - (a) a historical monument, archaeological site or remains of national importance, archaeological excavation, or antiquity specified under the Ancient Monuments and Archaeological Sites and Remains Act, 1958 (24 of 1958); (b) canal, dam or other irrigation works; (c) pipeline, conduit or plant for (i) water supply (ii) water treatment, or (iii) sewerage treatment or disposal.

4.4. Advance Authorization license

The company is eligible to take Advance Authorization license under Foreign Trade Policy and avail exemption from basic customs duty and social welfare surcharge on import of goods meant for export production. In terms of Notification No. 18/2015 Customs dated April 1, 2015 (and as amended from time to time), materials imported against Advance Authorization License under Foreign Trade Policy 2015-20, are exempt from payment of basic customs duty, additional duty, safe-guarding duty and anti-dumping duty, integrated goods and service tax (IGST) and compensation cess. This benefit cannot be claimed along with duty drawback benefit. The advance authorization validity for import is up to April 06, 2023.

5. Special tax benefits available to the Shareholders

Securities/shares are specifically excluded under the definition of goods and services under GST. Further, dividend income does not qualify as supply under GST. Accordingly, GST is not applicable on purchase of shares by the shareholders and on the dividend income earned on the shares. Also, the shareholders of the Company are not entitled to any special tax benefits under GST.

6. NOTES

1. This Annexure sets out the only the special tax benefits available to the Company and its Shareholders under the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017 and the applicable State/Union Territory Goods and Service Tax Act,2017 ("GST Act") as amended from time to time, the Custom Act, 1962 (Custom Act") and the Custom Tariff Act,1975 ("Tariff Act"), Foreign Trade Policy 2015-20 as extended till March 31, 2022 vide Notification No 33/2015-20 dated September 28, 2021 (unless otherwise specified), presently in force in India. These benefits are dependent on the Company fulfilling the conditions prescribed under the relevant provisions of the Tax Laws

2. This Annexure 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, 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 Proposed IPO.

3. This Annexure covers only certain relevant benefits under the above-mentioned indirect tax laws and does not cover any Income Tax law benefits or benefits under any other law.

4. These comments are based upon the provisions of the specified indirect tax laws, and judicial interpretation thereof prevailing in the country, as on the date of this Annexure.

5. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. The views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

For Rochem Separation Systems (India) Private Limited

Managing Director

Place: Mumbai
Date: June 30, 2022

STATEMENTS OF SPECIAL TAX BENEFITS AVAILABLE TO BLUE WATER TRADING & TREATMENT FZE AND ITS SHAREHOLDERS

To,
The Board of Directors
Blue Water Trading & Treatment FZE
`P O Box 120940, Saif Zone, Sharjah, U A E

Date: June 28, 2022

Dear Sirs,

Subject: Statement of possible special tax benefits (the 'Statement') available to Blue Water Trading & Treatment FZE, SAIF Zone, Sharjah, U.A.E (the 'Company') and its Shareholders prepared in accordance with the requirement under Schedule VI — Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations')

We hereby report that the Company, Blue Water Trading & Treatment FZE, SAIF Zone, Sharjah, U.A.E and its shareholders do not enjoy any special tax benefits, under direct and indirect taxes (together with "the Tax Laws"), presently in force in UAE as on the signing date and defined in Annexure I.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus, and in any other material used in connection with the Proposed Offer being made by the Holding Company Concord Enviro Systems Limited, Mumbai, India.

Yours faithfully,

Ethics Plus Public Accountants
Dubai, U.A.E.

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws, as amended
1	Federal Decree-Law No. (8) of 2017 on Value Added Tax
2	Customs Regulations U.A.E.

The Company Blue Water Trading & Treatment FZE, Saif Zone, Sharjah, U.A.E., does not enjoy any Special Tax Benefits under any of the laws listed above.

STATEMENTS OF SPECIAL TAX BENEFITS AVAILABLE TO CONCORD ENVIRO FZE AND ITS SHAREHOLDERS

To,
The Board of Directors
Concord Enviro FZE,
P O Box 120940, Saif Zone, Sharjah, U.A.E.

Date: June 28, 2022

Dear Sirs,

Subject: Statement of possible special tax benefits (the 'Statement') available to Concord Enviro FZE, Saif Zone, Sharjah, U.A.E. (the 'Company') and its Shareholders prepared in accordance with the requirement under Schedule VI — Part A - Clause (9) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the 'ICDR Regulations')

We hereby report that the Company, Concord Enviro FZE, Saif Zone, Sharjah, U.A.E. and its shareholders do not enjoy any special tax benefits, under direct and indirect taxes (together "the Tax Laws"), presently in force in UAE as on the signing date and defined in Annexure I.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We will not be liable to any other person in respect of this Statement, except as per applicable law.

We hereby give consent to include this Statement in the Draft Red Herring Prospectus, Red Herring Prospectus, the Prospectus and in any other material used in connection with the Proposed Offer being made by the Holding Company Concord Enviro Systems Limited, Mumbai, India.

Yours faithfully,

Ethics Plus Public Accountants
Dubai, U.A.E.

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS ('TAX LAWS')

Sr. No.	Details of tax laws, as amended
1	Federal Decree-Law No. (8) of 2017 on Value Added Tax
2	Customs Regulations U.A.E.

The Company, Concord Enviro Fze, Saif Zone, Sharjah, U.A.E., does not enjoy any Special Tax Benefits under any of the laws listed above

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from various industry and publicly available resources. The information also includes information available from reports or databases of Frost & Sullivan ("F&S"). Neither the Company, its Directors, the BRLMs nor any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry publications are also prepared on information as of specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

F&S has taken due care and caution in preparing the "Assessment of Industrial Water and Wastewater Treatment Solutions Market in India", release in June 2022 (the "F&S Report") based on the information obtained by F&S from sources which it considers reliable ("Data"). However, F&S does not guarantee the accuracy, adequacy or completeness of the Data / F&S Report and is not responsible for any errors or omissions or for the results obtained from the use of the Data / F&S Report. The F&S Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of the F&S Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. F&S especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the F&S Report. Without limiting the generality of the foregoing, nothing in the F&S Report is to be construed as F&S providing or intending to provide any services in jurisdictions where F&S does not have the necessary permission and/or registration to carry out its business activities in this regard. The Company will be responsible for ensuring compliances and consequences of non-compliances for use of the F&S Report or part thereof outside India. No part of the F&S Report may be published/reproduced in any form without F&S's prior written approval.

OVERVIEW OF WATER SCENARIO IN INDIA

India's water resources

According to the F&S Report, India's total utilizable water resource is pegged at 1,122 billion cubic meters ("**BCM**") per year by the Ministry of Jal Shakti. Water resource in India refers to surface water (rivers, lakes, ponds, etc.) and groundwater; and does not include water generated from desalination and recycle/reuse techniques. Of the total utilizable water, 761 BCM was consumed by all end user segments in calendar year 2018. According to the F&S Report (per the NITI Aayog Composite Water Management Index Report 2019), the total water demand in India is estimated to be 1,498 BCM by 2030. Compared with estimated water availability of 1,122 BCM, this projection indicates an overall deficit of 376 BCM by 2030. It highlights the fact that India needs to urgently take effective measures today to curb the scarcity of water in the future. This urgency is expected to drive significant growth for the water and wastewater treatment business in India.

Land and Water Resources, India, 2020

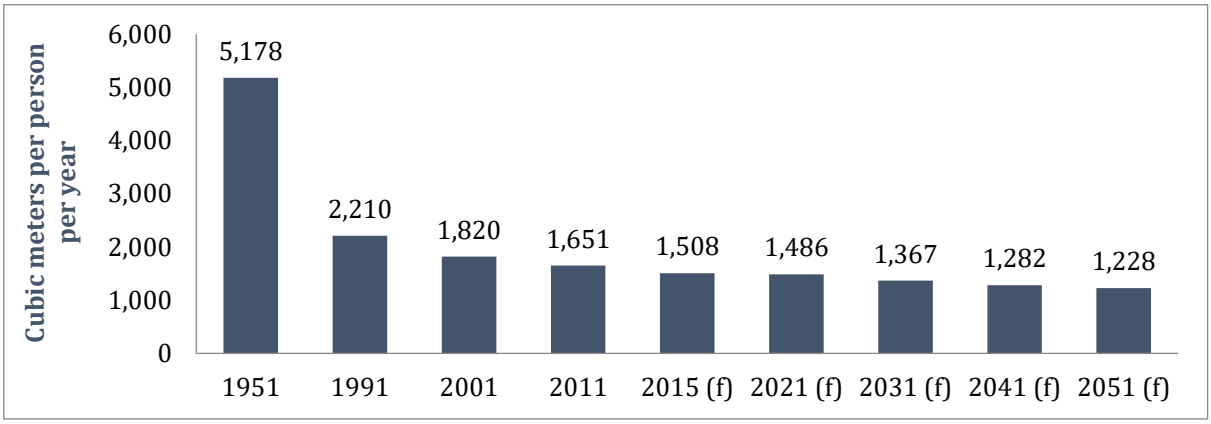
Geographical area	328.74 million hectares
Average Annual Precipitation	3,880 BCM
Annual total utilizable water availability	1,122 BCM
Estimated annual utilizable surface water	690 BCM
Estimated annual utilizable groundwater	432 BCM

Source: Ministry of Jal Shakti & Central Water Commission's report titled "Abstract on Water Sector-2020"; F&S Report

According to the F&S Report and the World Resources Institute (WRI) survey in 2019, India is one of the 17 countries in the world that face "extremely high" levels of water stress. India ranked 13th on the list of the extremely high water stress countries (containing 17 countries) and has more than three times the population of the other 16 extremely high water stress countries on the list combined. The Middle East and South Asia are the most water stressed area on earth.

According to the F&S Report, Falkenmark water stress index is the most commonly used measure for water scarcity globally. According to the F&S Report (per the Falkenmark water stress index), water availability below 1,700 cubic meters ("**m^3**") per person per year is considered to be a water stress condition and water availability below 1,000 m^3 per person per year as water scarcity. According to the F&S Report (per Ministry of Jal Shakti) water availability per capita in India has dropped drastically between 1951 (5,178 m^3 /person/year) and 2001 (1,820 m^3/person/year) and has been decreasing ever since. With increasing pollution, climate changes, high total dissolved solids ("**TDS**") due to a low water table and inefficient water management, the per capita water availability in India is expected to drop further to 1,228 m^3 by 2051.

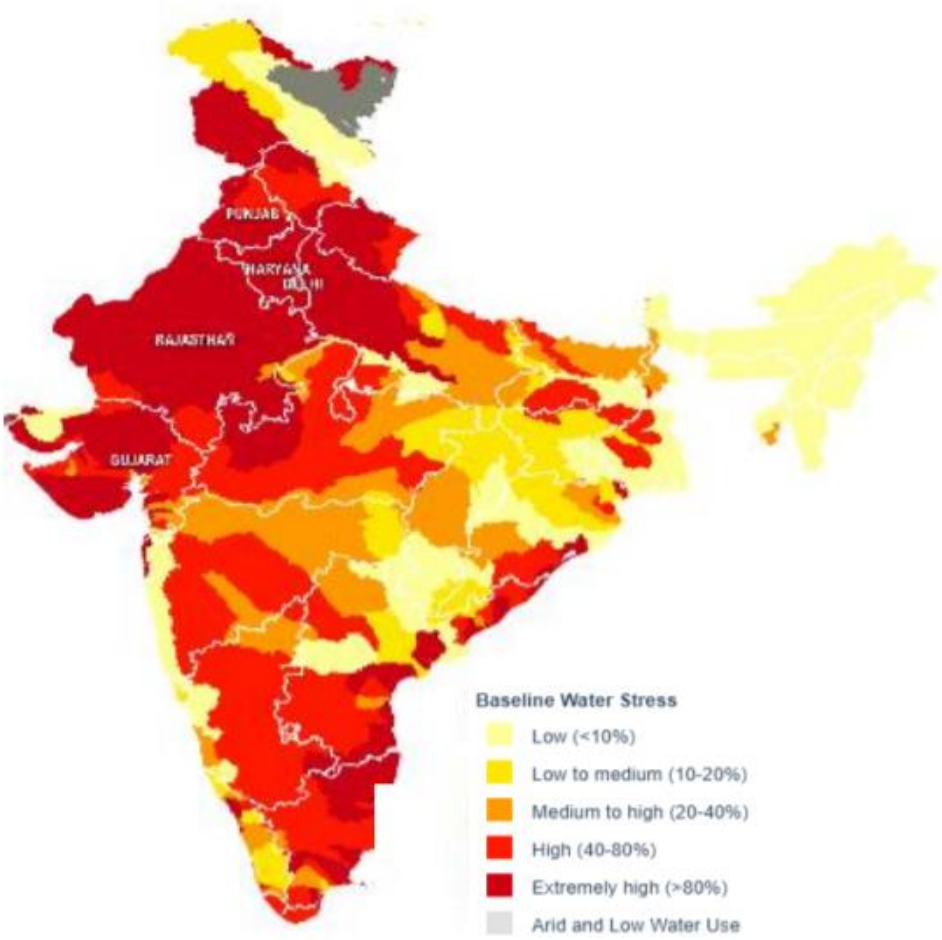
Per Capita Water Availability Forecast, India, 1951–2051



Source: Abstract on Water Sector-2020 by Ministry of Jal Shakti; F&S Report
Note: (f)-forecast

Decreasing per capita water availability has resulted in water scarcity or water stress in India. India is currently ranked 120 among 122 countries in water quality index, according to the F&S Report (per a report published by Water Aid, a non-profit organization that works towards increasing access to clean water and hygiene) . Changing weather patterns and natural calamities such as droughts have resulted in over-exploitation of groundwater resources.

Water Stress, India, 2021



Source: Niti Ayog Composite Water Resource Management Report; F&S Report

Comparison with global usage pattern

Among the developing nations of Brazil, Russia, India and China, India has the highest per capita total water withdrawal and the lowest water use efficiency. Low water use efficiency contributes to India's severe water crisis. Advanced treatment

technologies and wastewater recycling solutions play a critical role in lowering water stress and achieving water sustainability, according to the F&S Report.

Water Usage by Sector, Selected Countries, 2018

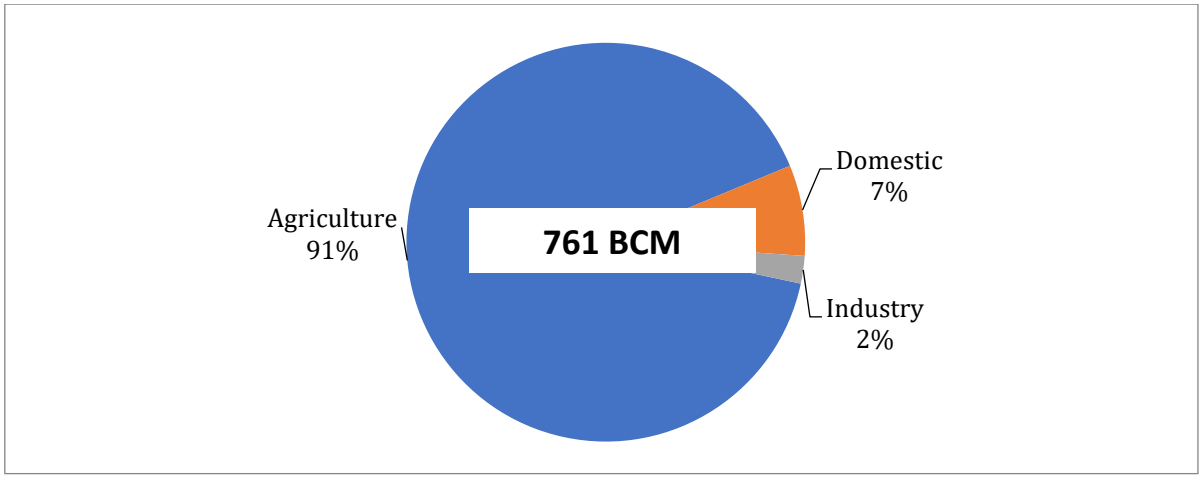
Parameters	India	China	Brazil	Russia	USA	Germany
Total water withdrawal per capita (m^3/person/year)	563	410	308	445	1,358	343
Agriculture water withdrawal (BCM/year)	688	385	38	19	176	0.4
Industrial water withdrawal (BCM/year)	17	134	10	29	210	18
Domestic water withdrawal (BCM/year)	56	79	17	17	58	10

Source: Food and Agriculture Organization of the United Nations (Note: 2018 is the latest published and credible data set available for water consumption by economic sectors); F&S report

Issues in water used in various sectors

Most water in India is for agricultural use, which is followed by industry and domestic use. Of the 761 BCM of water consumed in 2018, 688 BCM was utilized by the agriculture sector. In 2018, approximately 56 BCM and 17 BCM of water was utilized by the industrial and the domestic sectors, respectively.

Exhibit 1.3(a): Sectoral Water Use, India, 2018



Source: Food and Agriculture Organization of the United Nations (Note: 2018 is the latest published and credible data set available for water consumption by economic sector)

Water in agricultural sector

In calendar year 2018, 688 BCM of water is used by the agricultural sector in India, representing approximately 91% of water used by all sectors in such year. There is strong growth in agricultural exports from India; principal commodities such as wheat, non-basmati rice and soya meal witnessed exports growth in revenue terms of 727%, 132% and 132%, respectively, between Fiscal 2020 and Fiscal 2021. This growth in agricultural output would create demand for water over the long-term.

Major Indian crops are rice, wheat and sugarcane, all of which require large quantities of water. The nature of India's main crops along with the conventional agricultural practices, the water footprint of crops in India remains high. For example, India generally consumes 2,850 m^3 of water per ton of rice produced, while the global average is 1,325 m^3 of water for every ton of rice produced.

Government-allocated irrigation water and groundwater are the major sources for agriculture. Given the uneven distribution of water resources in terms of rainfall, surface water, reservoir etc., several parts of the country are dependent on groundwater for irrigation. Groundwater sources are overexploited, resulting in lower-quality water due to brackish water intrusion into aquifers and issues in water allocation for other economic activities such as manufacturing.

Water in industrial sector

According to the F&S Report (per World Bank), India ranked fourth in terms of manufacturing value-add in 2020, followed by China, Germany, and Republic of Korea. In 2018, India's industrial sector consumed approximately 17 BCM of water and is not very efficient at water usage and conservation techniques, when compared with developing economies such as China. The major water consuming industries in India are power generation, steel, zinc, and oil refineries, among others.

According to the F&S Report, water use efficiency in India's industrial sector is much lower than China, Germany, and South Korea. The major challenges faced by the Indian industrial segment is the availability of water or physical risk (which refers to

the risk associated with the non-availability of water and the quality of water available to an end-user industry). During 2013 to 2016, 14 of the large 20 thermal power plants in India had to be closed temporarily due to lack of water for operations, and the estimated revenue loss was approximately US$1.4 billion (Rs. 109.13 billion), according to the F&S Report.

With the higher consumption of water, wastewater generation and management are another concern. At least 60% of the water consumed by the industrial sector is generated as wastewater at the end of the production process, which translates into an effluent generation of 10 BCM a year (based on the water consumption by India's industrial sector of 17 BCM in 2018). Growing investments in the industrial sector and regulations for wastewater management would increase the demand for water and wastewater treatment solutions market in India. Given the water scarcity and its direct implications on the operations of the industrial facilities, the demand for recycle and reuse systems would remain high in the long-term.

Despite India's industrial sector being relatively under-developed in comparison to China and Brazil, India's

Water policies, regulations and authorities

The Ministry of Jal Shakti was formed in May 2019, and it is the apex organization responsible for the development of water policies in India. Water management has received more policy attention in the last decade because of scarcity concerns.

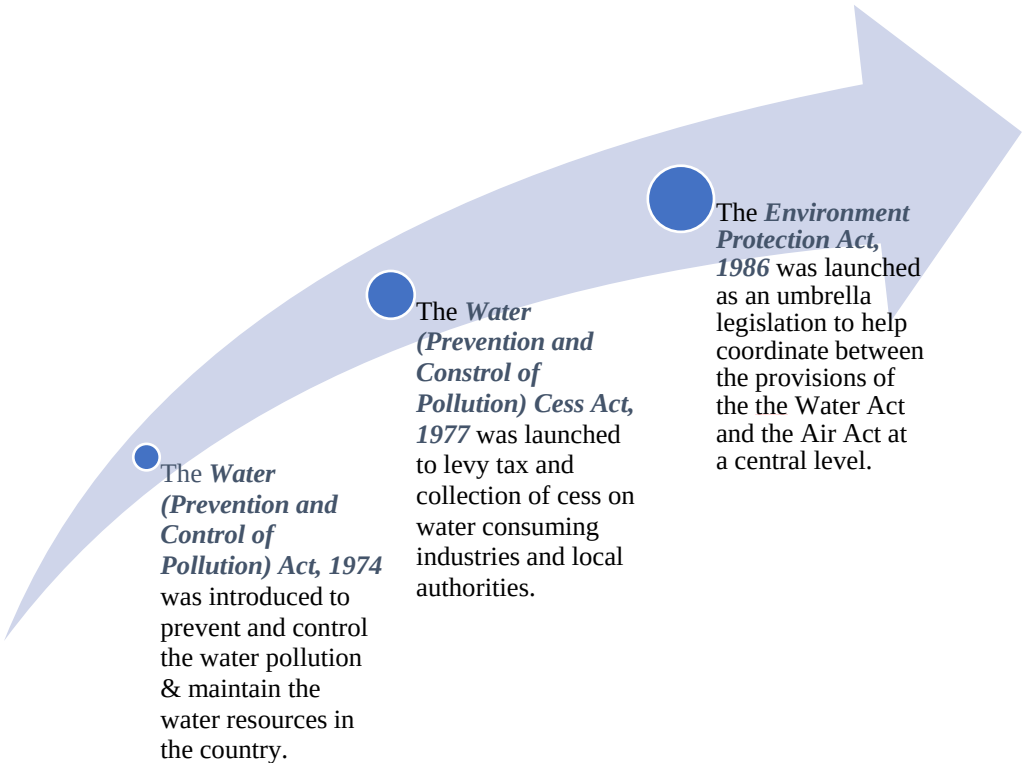
Some key highlights of the policies include:

- **The National Water Policy, 2012** was drafted by the Ministry of Water Resources with the purpose of governing the planning and development of water resources in India. The first version was launched in 1987 and was updated in 2002 and 2012. The salient features of the policy are:
    - emphasize the need for a national water framework law and legislation for effective development of interstate rivers and other water bodies;
    - treat water as an economic good to promote its conservation and efficient use; and
    - establish a system to benchmark water use across different end user segments.
- **The National Mission for Clean Ganga, 2014** is a flagship program launched with a budget outlay of ₹ 200 billion to control pollution, conserse and rejuvenate Ganga River.
- **The Pradhan Mantri Krishi Sinchayee Yojana (PMKSY), 2015** program was launched to increase the cultivable area with complete access to irrigation facilities, reduce wastage of water and increase water use efficiency in the agriculture sector.
- **The Jal Jeevan Mission, 2019** objective of the mission is to provide "functional household tap connections" (FHTC) to every rural home by 2024.
- **India's first river linking project approved in 2021** would connect Ken River in Madhya Pradesh with Betwa in Uttar Pradesh.

There are three major regulations governing the wastewater discharge and disposal in India. They are:-

- Water (Prevention and Control of Pollution) Act, 1974;
- Water (Prevention and Control of Pollution) Cess Act, 1977; and
- Environment Protection Act, 1986 (EPA).

Regulations Impacting Wastewater Treatment, India



Source: F&S Report.

Pollution control boards are the apex organizations responsible for implementing and monitoring the regulations in India. They are:-

- **Central Pollution Control Board (CPCB)**: CPCB serves as a field formation and provides technical services to the Ministry of Environment, Forests and Climate Change under the provisions of the Environment (Protection) Act, 1986. Principal Functions of the CPCB, as spelt out in the Water (Prevention and Control of Pollution) Act, 1974, and the Air (Prevention and Control of Pollution) Act, 1981, are (i) to promote cleanliness of streams and wells in different areas of the States by prevention, control and abatement of water pollution, and (ii) to improve the quality of air and to prevent, control or abate air pollution in the country.

- **State Pollution Control Boards (SPCBs)**: SPCBs look after the interest of the states in which they function. They implement directives from the CPCB and all relevant Acts which are enacted from time to time. SPCBs employ teams of scientists and laboratories to monitor air, soil and water quality through samples collected from industrial areas

The National Green Tribunal (NGT) is a quasi-judicial body dedicated to the effective and expeditious disposal of cases relating environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to the environment, and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto.

Such regulations and their implementation act as a key enabler for the growth of the wastewater treatment solutions among industry end users in India.

OVERVIEW OF GLOBAL WATER AND WASTEWATER TREATMENT SOLUTIONS MARKET

Global water and wastewater treatment solutions market trends

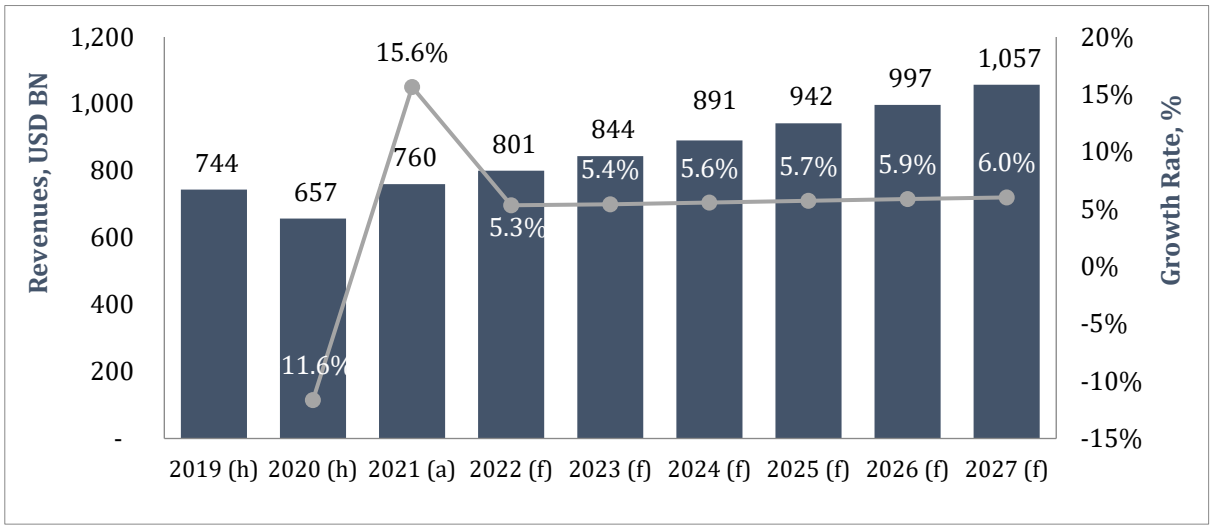
The COVID-19 pandemic has revitalized the importance of resilient and future-ready water and wastewater infrastructure. Municipalities and industries around the world have begun adopting net-zero, decarbonization, and circularity goals to become sustainable, resilient, and future ready. Internet-of-Things (IoT)-based solutions have become vital in helping end users achieve their net-zero targets (net zero target refers to achieving balance between the greenhouse gases emitted into the atmosphere and the greenhouses gases removed from it) . Utilities and industries have significantly increased their investments in adopting smart online sensors for real-time monitoring of assets and advanced artificial intelligence (AI)-based data analytics platforms to optimize the system on a real-time basis. The key focus is on reducing energy consumption and improving energy efficiency. End users are further focusing on the circularity of both water and sludge. Nutrient and energy recovery from sludge has received fresh impetus, especially in the Asia Pacific (APAC) region. Europe and North America are set to significantly invest

in treating emerging pollutants, while treated wastewater reuse will be the major agenda in APAC, North America, Latin American, and the Middle East. Zero liquid discharge (ZLD) technologies with disruptive solutions now enable recovery and reuse of minerals and salts from the brine.

Size of the global water and wastewater treatment solutions market

According to the F&S Report, the market size of the global water and wastewater treatment solutions market refers to the revenue generated from sales of water and wastewater treatment systems and services such as operation and maintenance (O&M), spares and chemicals. According to the F&S Report, the value of the global water and wastewater treatment solutions market grew by 5.3% from US$760 billion in calendar year 2021 to US$801 billion in calendar year 2022. It is expected to grow at a CAGR of 4.7% from US$801 billion in calendar year 2022 to reach US$1,057 billion in calendar year 2027, according to the F&S Report.

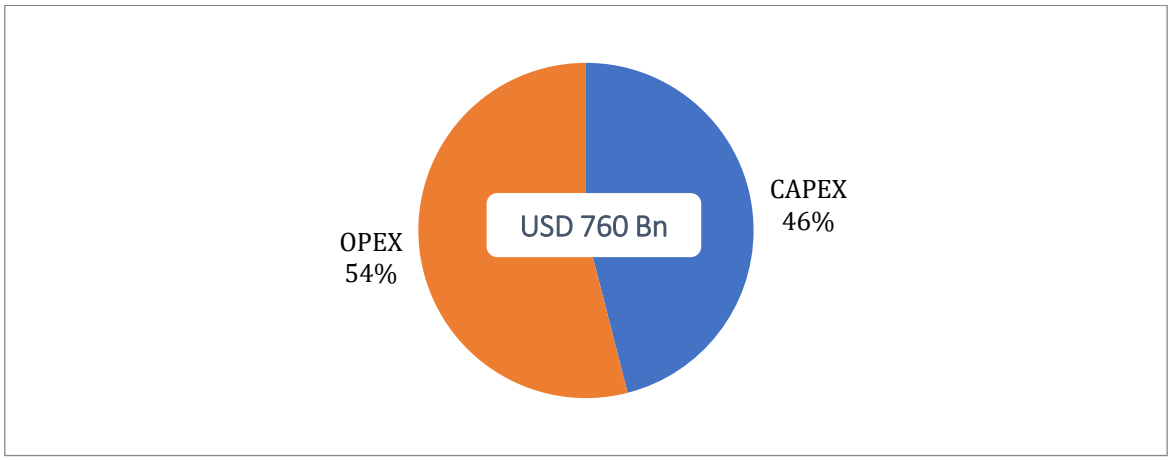
Water and Wastewater Treatment Solutions Market Size: Historical and Forecast, Global CY 2019 - 2027



Source: F&S Report
Notes: (h)-historical, (a)-actual, (f)-forecast

Capital expenditure (CAPEX) refers to systems and includes design, engineering, construction, water and wastewater treatment technology, process control and management. In calendar year 2021, CAPEX market accounted for 46% of the revenue of total global water and wastewater treatment solutions market. The remaining 54% of the market was contributed by operational expenditure (OPEX) market, which includes O&M services and chemicals.

Water and Wastewater Treatment Solutions Market Size by CAPEX and OPEX, Global, CY2021

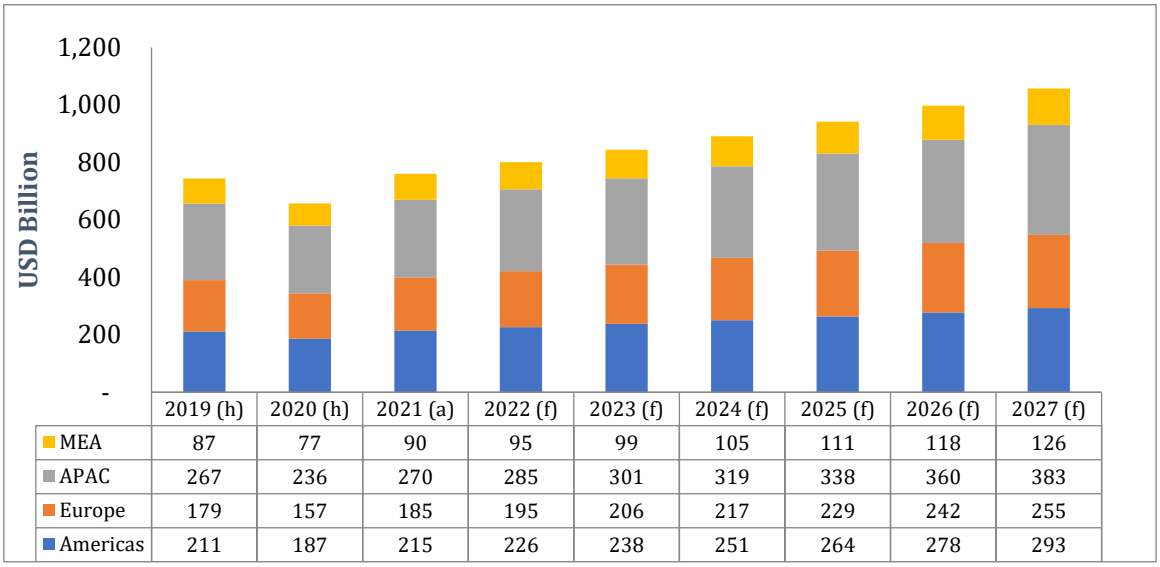


Source: Frost & Sullivan Analysis

Global water and wastewater treatment solutions by regions

By regions, APAC was the largest market for water and wastewater treatment solutions, contributing 36% of revenue in calendar year 2021, followed by North America and South America (28%), Europe (24%) and Middle East and Africa (12%).

Water and Wastewater Treatment Solutions Market Forecast by Region, 2019 – 2027



	2019 (h)	2020 (h)	2021 (a)	2022 (f)	2023 (f)	2024 (f)	2025 (f)	2026 (f)	2027 (f)
MEA	87	77	90	95	99	105	111	118	126
APAC	267	236	270	285	301	319	338	360	383
Europe	179	157	185	195	206	217	229	242	255
Americas	211	187	215	226	238	251	264	278	293

Source: Frost & Sullivan Analysis; F&S Report
Note: Americas include North America and South America; MEA includes Middle East and Africa; (h)-historical, (a)-actual, (f)-forecast.

According to the F&S Report, the demand for water and wastewater treatment solutions in APAC is mainly driven by rapid urbanization in developing Asian economies including China, India, Vietnam and Indonesia. Growing manufacturing and services sectors are creating demand for recycling and reuse systems. Other factors that are contributing to the growth of the market are improving standards of living, water scarcity, and emergence of more stringent water related laws and regulations, particularly for effluent discharge. River cleaning initiatives in India, China, Indonesia, and the Philippines have led to strongest enforcement of regulatory compliance, and imposition of recycling and reuse systems with the provision of subsidies or incentives for implementation.

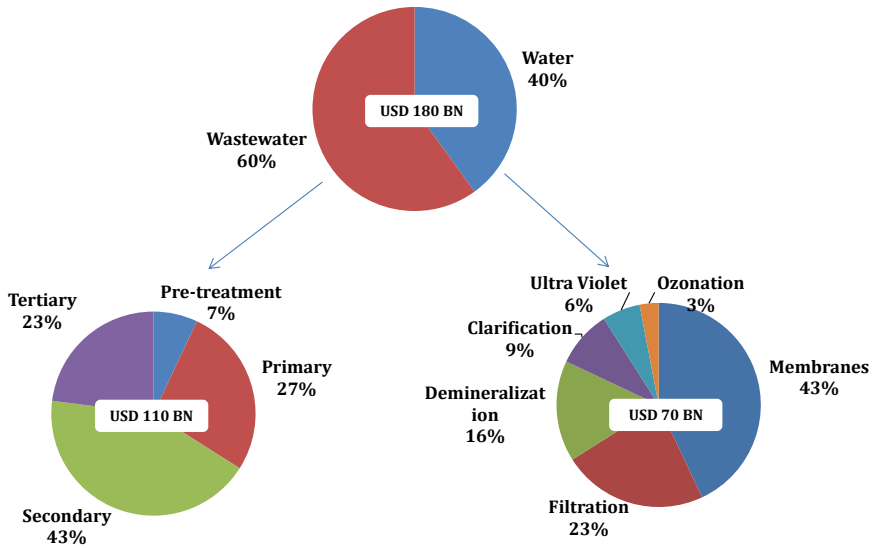
Water and wastewater treatment solutions market by end user segments

According to the F&S Report, the municipal segment contributed 76% of the revenue generated by the global water and wastewater treatment solutions market in calendar year 2021, amounting to US$580 billion. The industrial segment accounted for 24% of the revenue generated by the market in calendar year 2021, amounting to US$180 billion.

Industrial water and wastewater treatment solutions market by applications and technologies

In calendar year 2021, the value of the industrial water and wastewater treatment solutions market amounted to US$180 billion. The breakdown of this segment by applications and technologies is set out in the chart below:

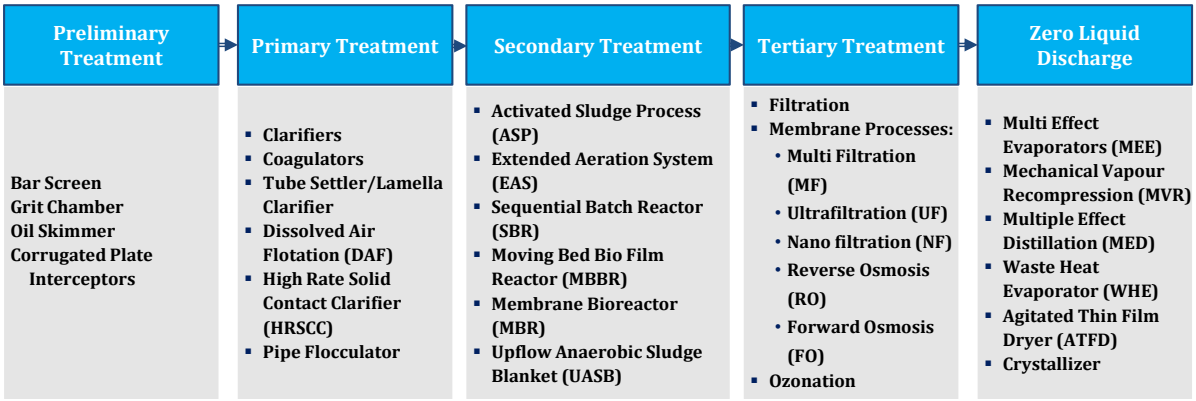
Industrial Water and Wastewater Treatment Solutions Market Size by Application and Technology, Global, CY2021



Source: Frost & Sullivan Analysis; F&S Report

The technologies employed by the industrial wastewater treatment solutions market are further set out below:

Industrial Wastewater Treatment Technologies



Source: F&S Report

Zero-liquid discharge (ZLD)

Globally, industrial and municipal facilities draw enormous amounts of fresh water as part of their operations and generate substantial amount of wastewater. The resulting wastewater requires treatments to mitigate the negative impacts on the aquatic ecosystems and human health. Industries have started to develop and implement recycling and recovery practices to improve water resource. ZLD enables the recovery of usable water and treated contaminants from wastewater before reducing it to solid waste, thereby nullifying the harmful environmental impacts. ZLD is achieved by using multiple water treatment technologies to treat the concentrated contaminants present in industrial and municipal wastewater. These water treatment technologies include reverse osmosis (RO), forward osmosis (FO), membrane distillation, mechanical vapour compression and electrodialysis.

According to the F&S Report, countries where industrial water recovery ratio is very low, such as India and China, will have great potential for the ZLD market. In China, the government is stepping up efforts to tackle industrial water pollution and is looking for ZLD technologies that can handle higher volumes of industrial production. In addition, India and China are trying to adopt ZLD for industrial parks and thermal power plants, according to the F&S Report.

Market drivers for the ZLD market

According to the F&S Report, the key drivers for the ZLD market include the following:-

- **Stringent regulations and policies on wastewater discharge**: Stringent legislation and policies such as the European Union Urban Wastewater Treatment Directive (UWTD) and the Integrated Pollution Prevention and Control (IPPC) Directive are the principal legislation that regulate the disposal of wastewater from various industries. Existing and new regulations in countries such as India, China and Australia encourage industries to consider complete recycling of water and recovery of valuable materials. Incentives and noncompliance penalties will further prompt industries to adopt ZLD technologies.

- **Increasing public awareness and concerns on wastewater pollution**: Growing public concern over wastewater pollution is expected to urge industries all over the world to adopt ZLD systems as a best practice solution and build a sustainable environment.

- **Technological advancements in treatment systems**: Industries with high water consumption and significant wastewater output are under growing pressure to adopt sustainable water recovery strategies. This is expected to drive research and development, innovations and advancements in cost-effective ZLD technologies, which in turn, will drive demand for affordable ZLD packages.

- **Water scarcity**: In regions with high to extreme water stress and in countries where intensifying growth and industrialization present mounting risks to water quality, industries that consume large volumes of process water and generate highly contaminated waste streams are increasingly required to reduce water consumption. These trends, which are evident in China, India, and the United States, are driving the introduction of stricter environmental regulations that necessitate the use of ZLD.

- **Climate change**: Climate change has an important implication on water resources such as increased evaporation rates, a higher proportion of precipitation received as rain, rather than snow, earlier and shorter runoff seasons, rising water

temperatures, and decreased water quality in both inland and coastal areas. Increased evaporation rates are expected to reduce water supplies in many regions. More frequent and severe droughts arising from climate change will have serious management implications for water resource users. One of the effective ways to manage or mitigate water availability issue caused by climate change is recycling and reuse solutions. This will, in turn, drive the demand ZLD implementation.

- **Increasing emphasis on circular economy**: The circular economy concept enables the optimal use of water and treat the wastewater to return it to the system to make it more environmentally and economically sustainable. Circular water management (keeping water in a closed loop under ZLD conditions) is becoming a frequent practice among both industries and companies supporting circular economy.

- **Rapid industrialization**: Rapid industrialization in regions like APAC, North America and Europe have increased the demand for energy significantly. It is expected that companies implementing energy efficient ZLD technologies will have better market opportunities, thereby driving the demand for ZLD.

Digitalization solution including Internet of Things ("IoT") technology

Digitalization is the key focal point of innovation that is highly pursued across the water industry value chain in modern days. IoT solutions offer effective solutions to monitor water resources and water assets, which would enable optimum water management methods among municipal and industrial segments.

According to the F&S Report, factors driving digitalization in the global water sector include the following:-

- **Increased efficiency and sustainability**: Smart water solutions through automation, analytics and intelligence enable system optimization that improves efficiency and sustainability for water and wastewater utilities.

- **Improved on return on investment**: Lack of funding and timely investments have led to aging water infrastructure that is inefficient, has suboptimal performance and generates low return on investment (ROI). AI/advanced data analytics platforms enable water utilities to make intelligent business decisions for new build, repair or rehabilitation projects. These smart solutions offer virtual operations, intelligent resource optimization, and asset management that significantly improve ROI.

- **Resilience to climate change climate change (smart is the new green)**: Climate change and its subsequent impact on water resources have significantly impacted economic growth, and hence has become a key factor of concern. Smart solutions can provide customers with predictive and prescriptive intelligence and effectively improve the resilience of the infrastructure, and also minimize the damage to the environment.

- **Improved customer experience**: Public and regulatory scrutiny of water utilities is increasing. Providing quality services along with resource accountability has become top priority for water utilities, and is driving the implementation of smart water metering and non-revenue water (NRW) loss management projects.

IoT trends in water and wastewater utilities

According to the F&S Report, challenges that accelerate IoT adoption are:-

- **Environmental and regulatory pressure & compliance cost**: Climate change, water pollution, water stress, and drought along with enforcement agency scrutiny and regulatory pressures are pressuring utility managers to improve infrastructure efficiency and environmental sustainability.

- **NRW loss**: NRW losses globally exceed US$39 billion (₹3,040.11 billion) each year. Service disruptions and compromised service quality due to NRW loss have caused significant economic and environmental impact on water utilities.

- **High operating cost**: Rising OPEX (especially energy and chemical costs for treatment and pumping) is a financial burden for most publicly owned water utilities. Utilities across the globe are exploring multiple solutions to optimize their operating costs, including the adoption of IoT technologies.

- **Ageing Infrastructure**: Ageing infrastructure significantly impacts utilities' system efficiency, supply and demand. The high cost of rehabilitation and the long lead time for implementation have led utilities to explore asset condition monitoring and management solutions.

- **Repair or replacement challenge**: Budgetary constraints affect decisions to repair or replace equipment or assets, which ultimately can impact system performance. These decisions require expertise and experience.

The table below sets forth the major IoT solutions employed by global utilities to address various challenges and their associated benefits:

IoT Solutions and Benefits for Utilities

IoT Solutions	Benefits
Smart meters and sensors	Continual smart water quantity and quality monitoring and smart leak monitoring and detection help water utilities in compliance tracking, safety monitoring, and NRW reduction to increase process system efficiency and save energy and chemicals.
Smart connectivity	• Smart connectivity enables seamless digital data transfer and a two-way communication between the sensor and utility operator. It enables complete system automation enhanced by machine learning and AI. It significantly improves data transparency.
Smart analytics	• Smart analytics provides benefits such as efficient resource allocation and budgeting, customer data and billing management, and predictive and preventive maintenance that could enhance equipment and infrastructure life.
Smart intelligence	• Data-driven prescriptive maintenance and decision intelligence enables utility operators to make economical, efficient, and sustainable decisions.

Source: Frost & Sullivan Analysis; F&S Report

IoT trends in water and wastewater treatment plants

According to the F&S Report, the challenges that accelerate IoT adoption are:-

- **Quality & safety monitoring**: Treatment facilities are accountable for the safety and quality of the treated water or wastewater. Non-compliance with quality or discharge regulations could result in severe penalties or may potentially be a public risk. **Process control:** High organic loading, flow variations and industrial pollutants affect the efficiency of media, membrane, biological or any other water and wastewater treatment technology and disrupt the treatment process and compromise quality and safety.
- **High operating cost**: Most publicly owned water utilities are financially burdened by the rising operating expenses. Utilities across the globe are exploring multiple solutions to optimize their operating costs, including the adoption of IoT technologies.
- **Chemical and energy efficiency:** Energy and chemical costs saddle water and wastewater treatment plant OPEX, so efficiency is crucial to a facility's long-term sustainability.

The table below sets forth the major IoT solutions employed by treatment plants to address various challenges and their associated benefits:

IoT Solutions	Benefits
IoT water quality and measurement sensors	• IoT sensors include advanced communication modules that transmit data to the control system. The sensors have a two-way communication capability and can self-calibrate, provide diagnostics, be remotely monitored, and offer near-real-time system visualization. Digitalization has enabled predictive maintenance and continual sensor health monitoring.
Smart analytics and AI	• Data analytics platforms enable real-time system optimization and fine tuning to significantly improve process efficiency and optimize chemical and energy consumption. Advanced analytics platforms also provide decision and predictive intelligence. AI-based platforms completely automate plant operations or assist in virtual operation, significantly enhancing infrastructure sustainability.

Source: F&S Report

OVERVIEW OF INDIAN WATER AND WASTEWATER TREATMENT SOLUTIONS MARKET

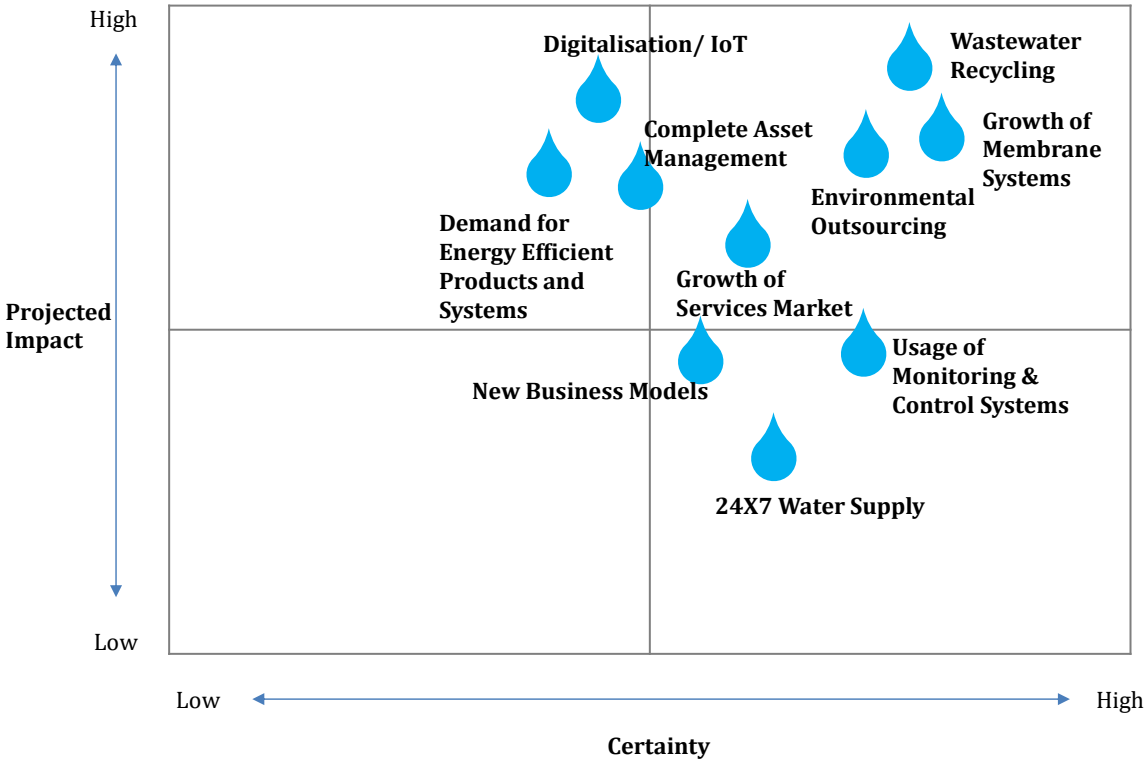
Indian water and wastewater treatment solutions market trends

According to the F&S Report, the Indian water and wastewater treatment solutions market is in the growth stage. High industrial growth, rapid urbanization and associated economic activities, and groundwater depletion will contribute to market growth in the coming years.

The market is switching gears from price to value. With more private participation, the number of build-operate-transfer (BOT) and build, own, operate and transfer (BOOT) projects spanning 15 to 30 years is on the rise. These projects reshape the market landscape, from price-driven to value- and performance-oriented. Public-private partnerships (PPP) in the municipal segment offer a solution where all stakeholders (private companies, municipalities, and consumers) benefit. Private companies receive business opportunities to design and deliver innovative solutions, while municipalities and consumers benefit from improved efficiencies and effectiveness through innovation, responsibility-sharing, and financing.

New business models further drive market growth. Municipal segment have been procured through a hybrid annuity model (HAM)that combines engineering, procurement, and construction (EPC) and BOT models. The Indian government will contribute 40% of the project cost in annual payments while private companies will foot the bill for the remaining 60%.

Water and Wastewater Market – Top Trends



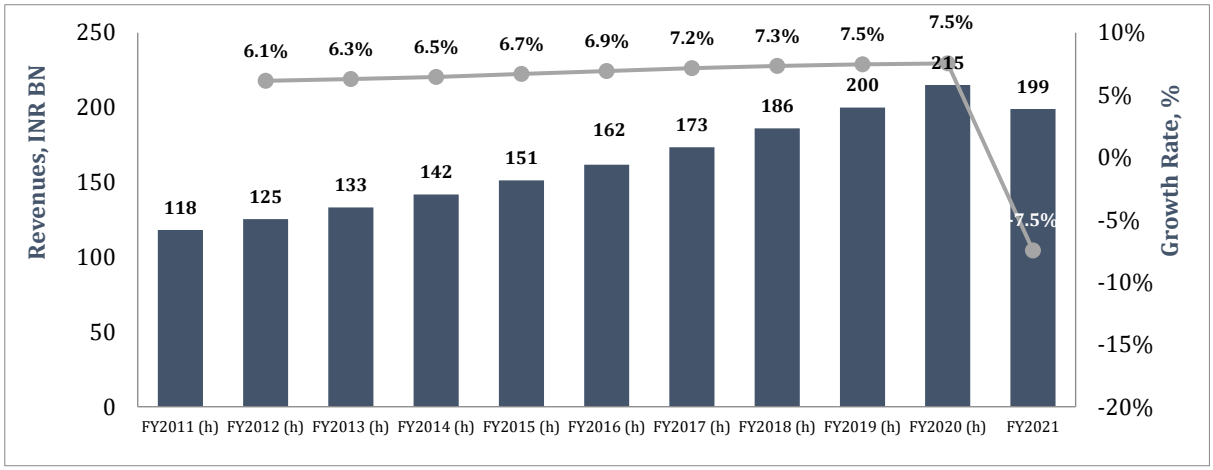
Source: Frost & Sullivan Analysis; F&S Report

Size of the Indian water and wastewater treatment solutions market

According to the F&S Report, the Indian water and wastewater treatment solutions market was valued at ₹199 billion in Fiscal 2021. For the purposes of the F&S Report, the Indian water and wastewater solutions market includes revenue from water and wastewater treatment systems/equipment and services sold to municipalities and industries only, but does not include the commercial and residential segments and revenue from water networks, pumping stations, wastewater networks, and other water infrastructure projects such as irrigation networks and reservoirs.

The graph below sets forth the growth of the Indian water and wastewater treatment solutions market from Fiscal 2011 to Fiscal 2021:

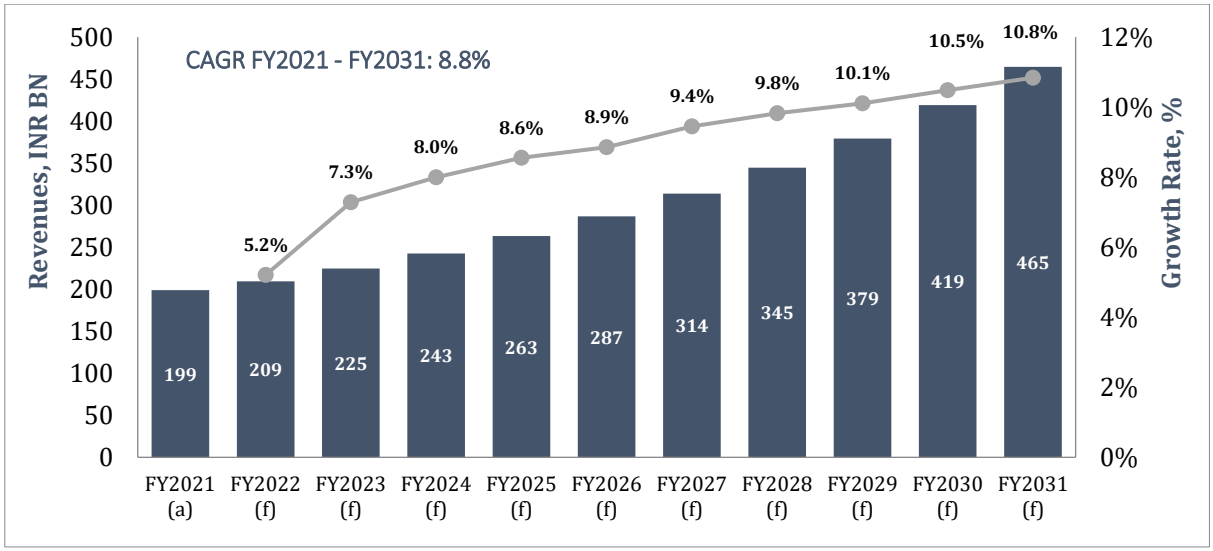
Total Water and Wastewater Treatment Solutions Market Size, India, Fiscal 2011 to Fiscal 2021



Source: Frost & Sullivan Analysis; F&S Report
Notes: The dip in revenues in FY2021 is mainly due to the COVID-19 pandemic; (h)-historical, (a)-actual.

Going forward, the Indian water and wastewater treatment solutions market is forecasted to grow at a CAGR of 8.8% from Fiscal 2021 to reach ₹465 billion in Fiscal 2031.

Total Water and Wastewater Treatment Solutions Market Forecast, India, FY 2021 – FY2031

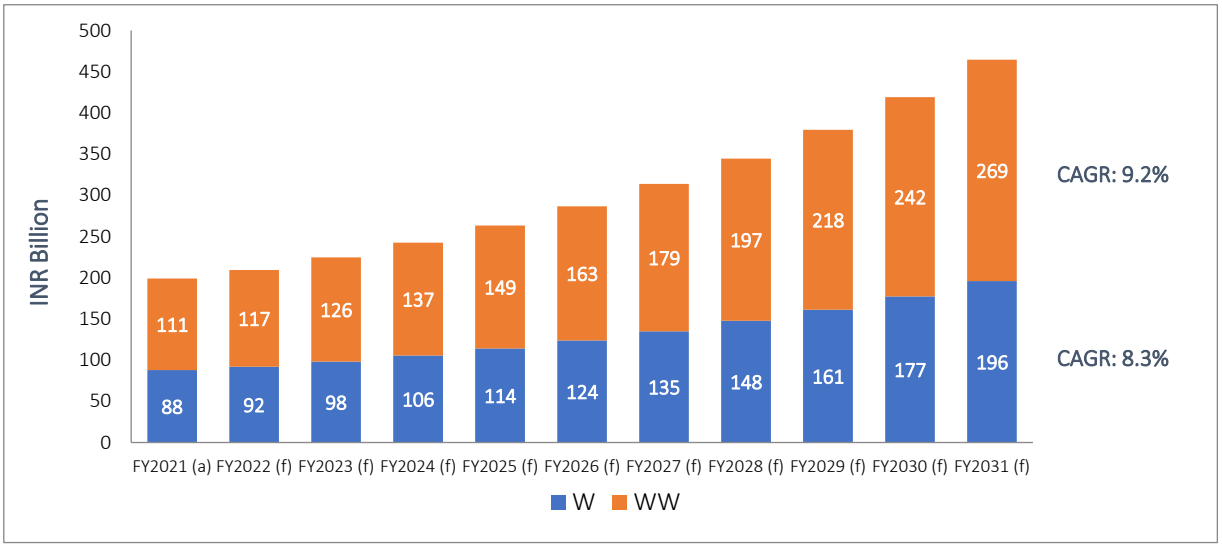


Source: F&S Report
Note(s): (a)-actual, (f)-forecast.

Indian water and wastewater treatment solutions market by applications

By applications, the Indian water and wastewater treatment solutions market can be categorized into (i) wastewater treatment solutions and (ii) water treatment solutions. According to the F&S Report, wastewater treatment solutions segment is forecasted to grow at a CAGR of 9.2% from Fiscal 2021 to Fiscal 2031 while the water treatment solutions segment is forecasted to grow at a CAGR of 8.3% during the same period.

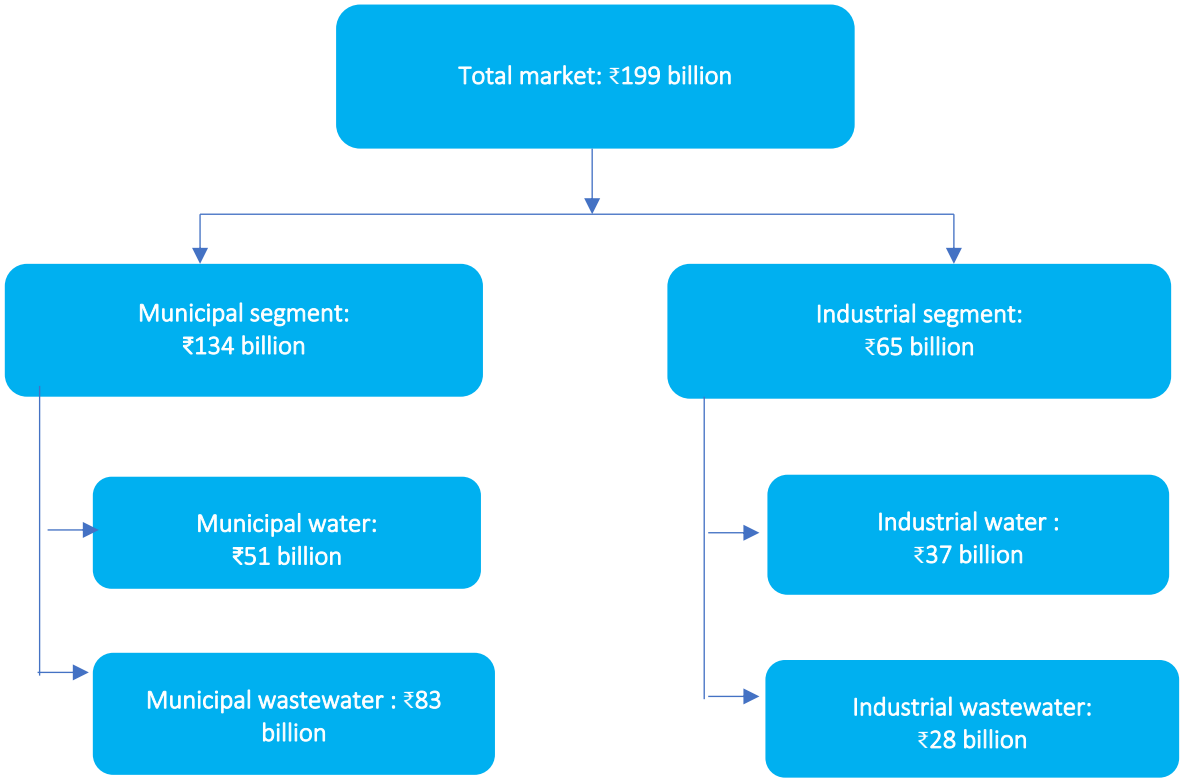
Total Water and Wastewater Treatment Solutions Market Forecast by Application, India, FY 2021 – FY2031



Source: Frost & Sullivan Analysis; F&S Report
Note(s): (a)-actual, (f)-forecast.

Indian water and wastewater treatment solutions market by segments

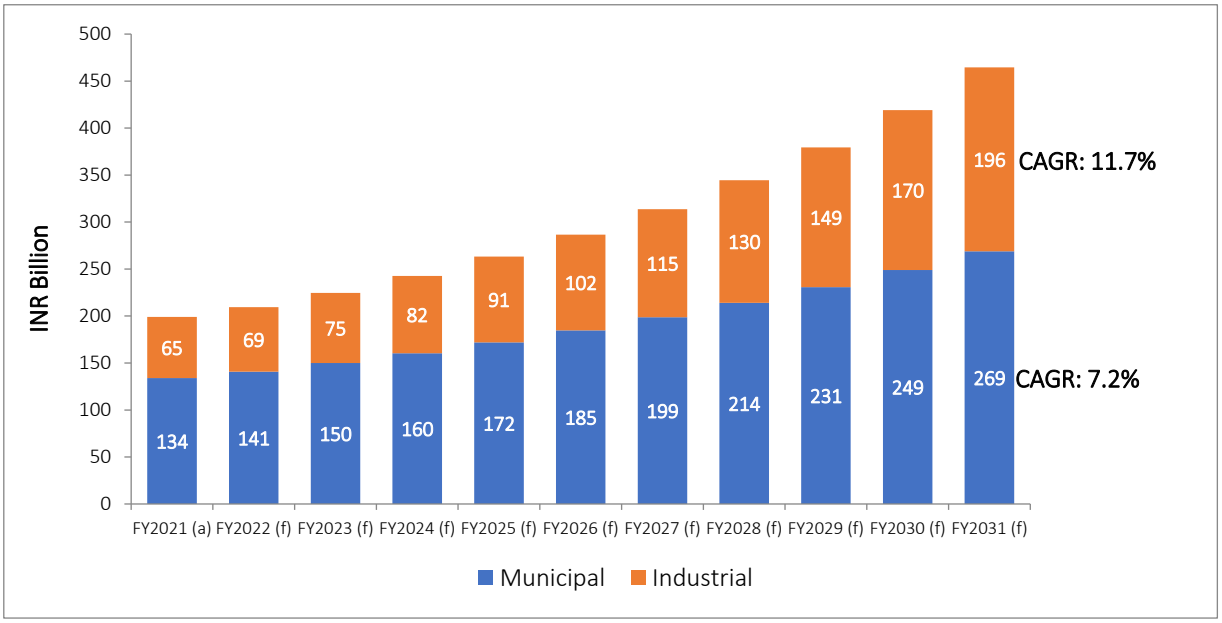
Water and Wastewater Treatment Solutions Market Size and Segmentation, India, Fiscal 2021



Source: F&S Report

According to the F&S Report, the industrial segment is expected to grow faster than the municipal segment during the forecast period. Backed by investments and regulations, the industrial segment is anticipated to grow at a CAGR of 11.7% from Fiscal 2021 to Fiscal 2031, according to the F&S Report. The municipal segment is expected to record a CAGR of 7.2% across the same period, according to the F&S Report.

Total Water and Wastewater Treatment Solutions Market Forecast by End User Segments, India, FY 2021 – FY2031



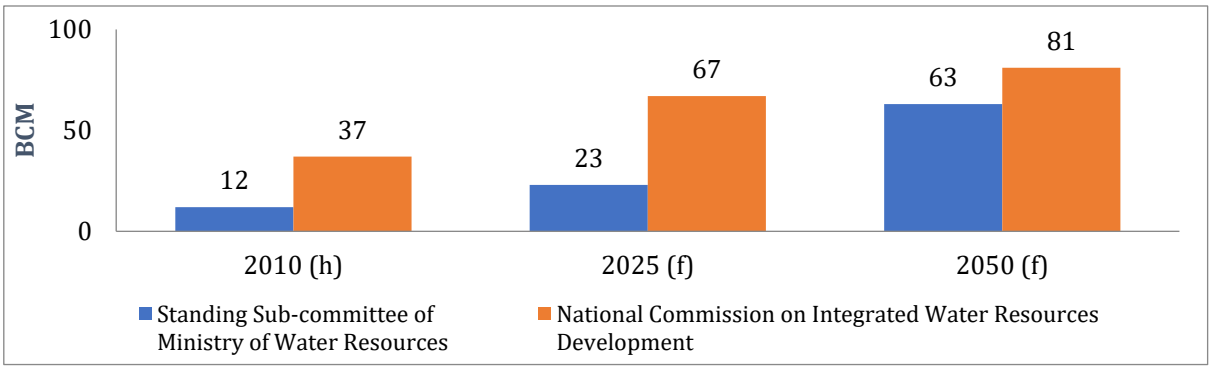
Source: Frost & Sullivan analysis; F&S Report
Note(s): (a)-actual, (f)-forecast.

Market Drivers for the Indian water and wastewater treatment solutions market

Increasing demand for industrial process water

According to the F&S Report, economic diversification to reduce India's dependence on the services sector is accelerating industrial growth, especially in power, oil and gas, refineries, and chemicals and petrochemicals. Industries in the country are likely to adopt global best practices because product quality is a competitive factor and power, chemical and petrochemical, and pharmaceutical companies require high-purity water. The demand for industrial process water will increase with India's industrial output, driving the need for industrial effluent treatment, according to the F&S Report.

Industrial Water Requirements by End Users, India, 2010–2050



Source: Environment Statistics India, 2011, Central Statistical Office, Ministry of Statistics and Programme Implementation, Government of India; F&S report
Note(s): (h)-historical, (f)-forecast.

Rising population and increasing per capita consumption

Urban India is the epicentre of industrial growth and population. As the population grows, municipal corporations and urban local bodies (ULB) find it difficult to provide basic amenities, such as water and sanitation. Groundwater levels have decreased in several urban areas following poor and uneven rainfall patterns and overexploitation of resources. Central Ground Water Board (CGWB) analysed the decline in groundwater levels by comparing the CGWB data from November 2020 with the decadal average from 2010 to 2019. The results of such analysis indicates that 33% of the groundwater tables monitored have recorded a zero to two meters decline in groundwater levels. Cities such as Delhi, Chennai, Indore, Coimbatore, Madurai, Vijayawada, Dehradun, Jaipur, Allahabad, Ghaziabad, Kanpur, and Lucknow have registered a groundwater decline of more than four meters. Coastal cities opt for seawater RO desalination to overcome water shortages; for example, Chennai city has

developed two desalination plants. A growing population also drives industrial growth, pushing up industrial water demand in India.

Ageing infrastructure and low operational efficiency

India has long followed a build-neglect-rebuild approach in its water and wastewater infrastructure, resulting in suboptimal operations. India has a sewage treatment installed capacity of 26,869 million liters per day (MLD) as of 2020 and approximately 1,405 MLD is non-operational. The inability to retrofit and replace wastewater treatment plants because of tight budgets has led to poor performance in existing infrastructure. With municipal corporations and ULBs lacking the necessary workforce for plant O&M, the retrofit and O&M of existing sewage treatment plants present growth opportunities for water and wastewater service providers.

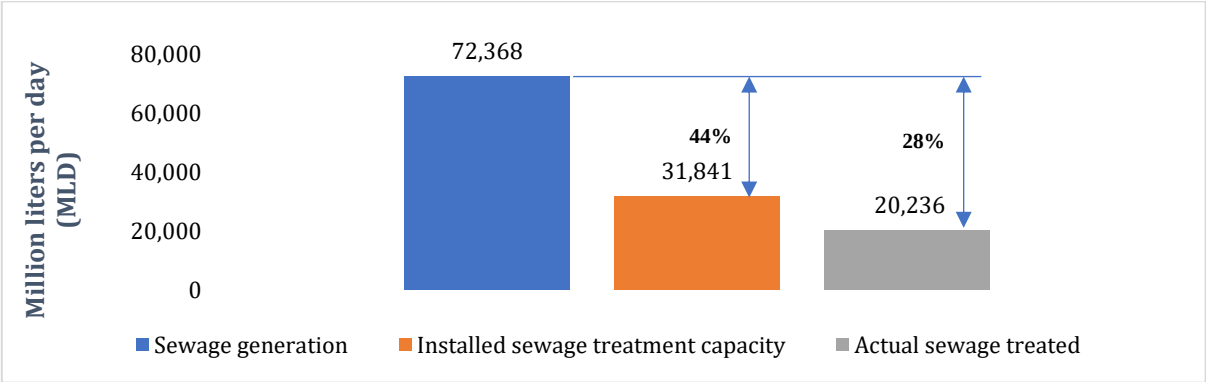
Water scarcity or lack of water availability

Water shortages in India have an adverse impact on industry, which could lead to production cuts and revenue loss. The physical risks related to the availability and quality of water are extremely high for industries such as textiles, pharmaceuticals, food and beverages and pulp and paper, and are spurring investments in industrial wastewater treatment and recycling systems.

Limited wastewater network coverage and treatment infrastructure

Domestic sewage treatment in urban areas is insufficient, with only 28% of generated wastewater undergoing treatment in urban India, according to the F&S Report (per the CPCB report titled National Inventory of Sewage Treatment Plants published in March 2021). India's Central Pollution Control Board (CPCB) has identified highly polluted river stretches to be in and around large urban areas. Growth opportunities to build wastewater treatment capacity exist, especially for wastewater recycling and reuse for applications such as process water, landscaping, and toilet flushing.

Sewage Generation and Treatment Capacity, Urban India, 2020



Note: the % values indicate the gap in treatment capacity
Source: CPCB National Inventory of Sewage Treatment Plants report published in March 2021; F&S Report

Water cross-contamination

Water distribution systems in India are old; for example, some pipelines in Delhi are more than 50-60 years old. Due to lack of proper maintenance, there is higher probability of cross-contamination which makes the water unfit for direct consumption and creates the need for further treatment.

Pollution control regulations

In India, water laws and regulations are becoming increasingly stringent and requiring compliance from industries. Many states like Bihar offer tax breaks to start-ups to establish wastewater treatment facilities. The Indian Government also provides loans at zero-percent interest on a case-by-case basis. With greater regulatory compliance and awareness, more companies are expected to adopt water and wastewater treatment systems and stop discharging waste effluents directly into water bodies.

Government policies and initiatives

With water becoming a scarce commodity, the Indian Government develops water policies and undertakes initiatives to reduce water stress. It established the National Water Mission (NWM)in 2011 to ensure a considerable share of industrial water demand is met through recycling effluents and domestic sewage. The NWM also caters to coastal cities' water requirements through seawater desalination. The Government has initiated the rejuvenation of national rivers, such as the Ganga and Yamuna, with Namami Gange and the National River Conservation Plan (NRCP). It also strives for sustainability through Swachh Bharat Mission, Jal Jeevan Mission, and National Smart Cities Mission, would create demand for water and wastewater equipment.

Under the national infrastructure pipeline (NIP), ₹2.79 trillion worth of water and wastewater treatment projects are expected to be implemented by the Government of India as of May 2022.

Sustainable development goals and recycling systems

Industrial sustainability and climate actions address water and energy challenges, with some companies committed to reducing their resource consumption and waste generation.

Initiatives or regulations to control ocean/sea outfall discharge practised in coastal areas

A decade ago, the most common practice for industrial effluent discharge was disposal in nearby oceans or seas. Regulators are taking steps to prevent such harmful practice. The National Green Tribunal directed all coastal states and union territories to submit action plans to the CPCB to prevent discharge of sewage and industrial effluents from wastewater generators in seas.

Leachate treatment for municipal solid waste landfill management

The most common method of municipal solid waste disposal in India are landfilling or open dumping. More than 3,000 open landfills in India have exceeded their capacity but remain operational. These sites are unscientifically constructed and cause irreversible damage to the environment due to leachate generation. Leachate treatment in India is at a nascent stage and most of the leachate is untreated. Leachate management is regulated, but enforcement is not effective and compliance is minimal. According to the F&S Report, the number of leachate treatment systems would increase in the future owing to the anticipated effective implementation of regulations, with the focus on sustainability and the United States Sustainable Development Goals acting as a catalyst and creating opportunities for wastewater treatment solution providers in major urban clusters.

Market restraints for the Indian water and wastewater treatment solutions market

According to the F&S Report, the major market restraints concerning the Indian water and wastewater treatment solutions market include the following:-

- ***Slow implementation of regulations***: Although India has a roadmap for efficient water management, it is slow in implementing reforms and policies. In India, the CPCB formulates policies while the SPCB implements regulations. Due to the formulation and implementation functions are separated into two regulatory authorities, inconsistent and delayed regulatory enforcement has become the norm.

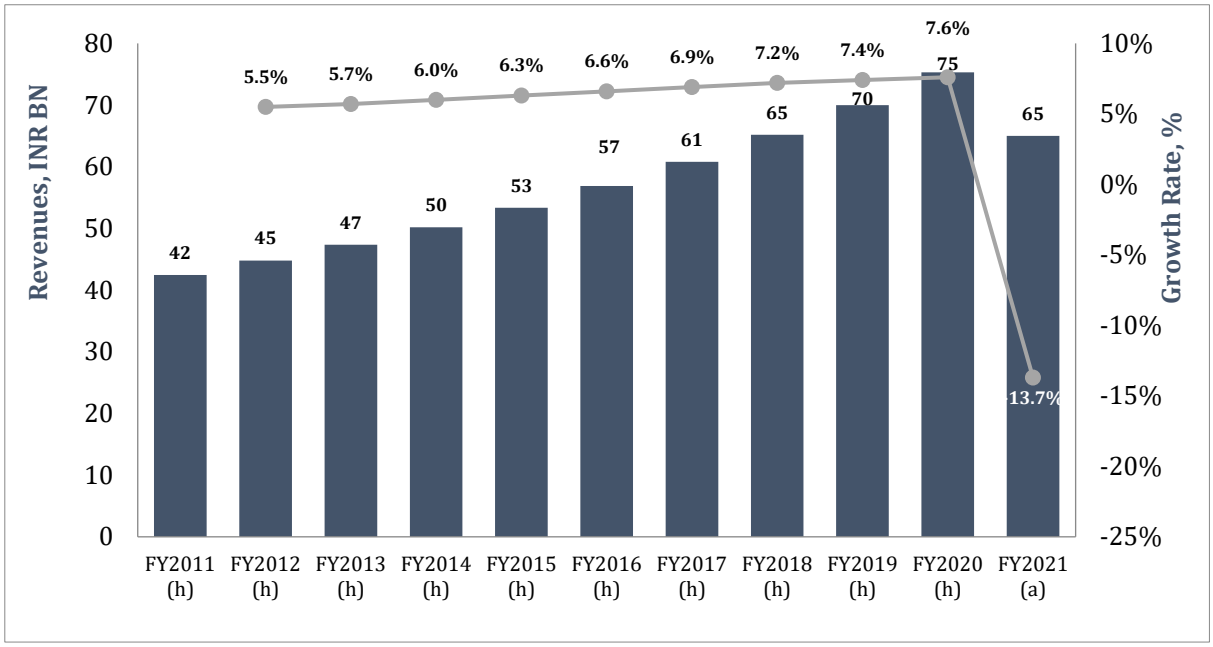
- ***Fragmented market***: Numerous small and medium-sized companies compete with each other by offering systems at low prices, triggering price wars. End users' price sensitivity and the broad base of small and medium-sized companies in end-user segments, such as food and beverage, pharmaceuticals and textiles, prevent market consolidation.

OVERVIEW OF INDIAN INDUSTRIAL WATER AND WASTEWATER TREATMENT SOLUTIONS MARKET

Size of the Indian industrial water and wastewater treatment solutions market

According to the F&S Report, the Indian industrial water and wastewater treatment solutions market was valued at ₹65 billion in Fiscal 2021. The market recorded a CAGR of 6.6% from Fiscal 2011 to Fiscal 2020.

Industrial Water and Wastewater Treatment Solutions Market Size, India, FY 2011 – FY2021

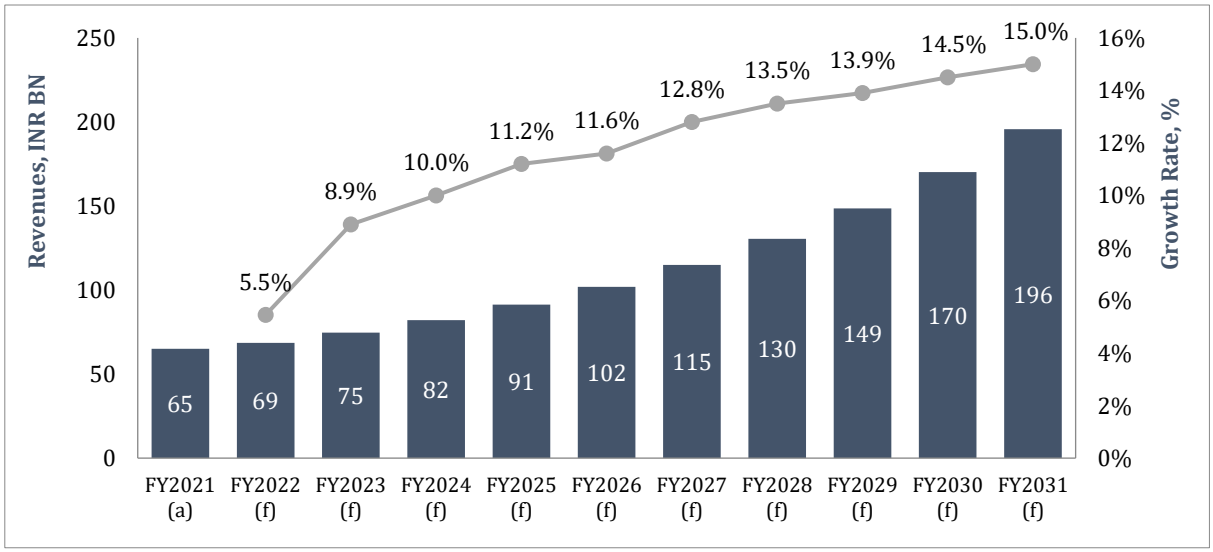


Source: Frost & Sullivan Analysis; F&S Report
Note(s): (h)-historical, (a)-actual.

The industrial water and wastewater treatment solutions market is expected to grow with Industrial demand. Industrial demand is expected to grow as investments in infrastructure, such as the Delhi–Mumbai Industrial Corridor Project (DMIC), catalyse growth in the food and beverage, engineering, metals, textile, chemicals and petrochemicals, automobiles, electrical and electronics industries. India is a fast-growing location for the power industry, and new initiatives such as the Petroleum, Chemical, and Petrochemical Investment Region (PCPIR), aiming to develop the country's downstream oil and gas industry will support market growth.

According to the F&S Report, the Industrial water and wastewater treatment solutions market in India is forecasted to grow at a CAGR of 11.7% from Fiscal 2021 to reach ₹196 billion in Fiscal 2031.

Industrial Water and Wastewater Treatment Solutions Market Forecast, India, FY 2021 – FY2031



Source: Frost & Sullivan Analysis; F&S Report
Note(s): (a)-actual, (f)-forecast.

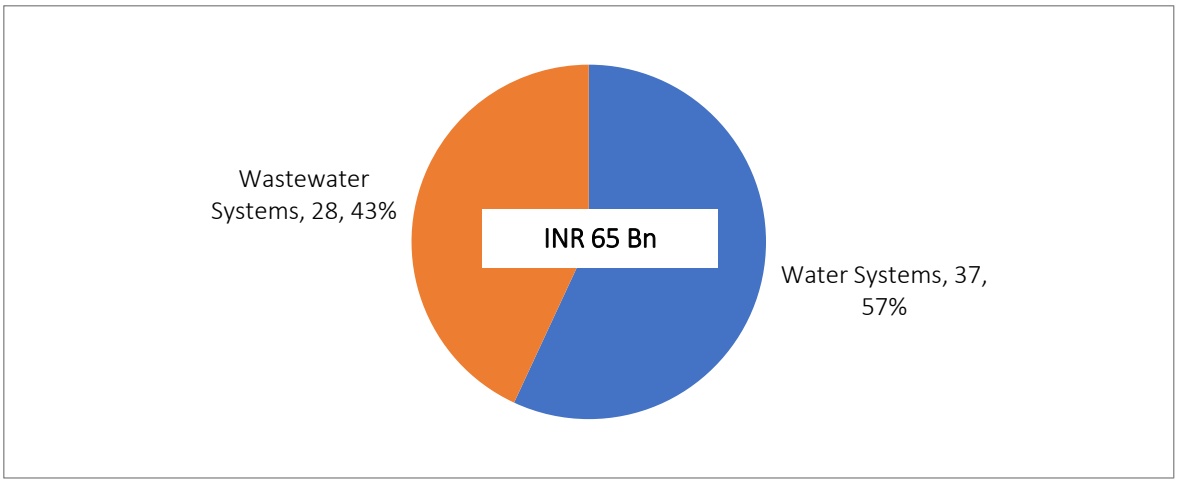
Indian industrial water and wastewater treatment solutions market by application

Industrial water treatment solutions refer to treatments applied to process water used in manufacturing, and is directly related to the end product's output and quality. Over the last decade, end users have slowly shifted from conventional water treatment

technologies (e.g., filtration, demineralization, softeners) to Reverse Osmosis (RO) membrane-based systems. Increasing high-purity water demand, health awareness, and globalization propel the growth of membrane-based systems.

Industrial wastewater treatment solutions refer to treatments applied to effluent by-product of various processes. Industrial regulations drive the growth of the wastewater treatment equipment market.

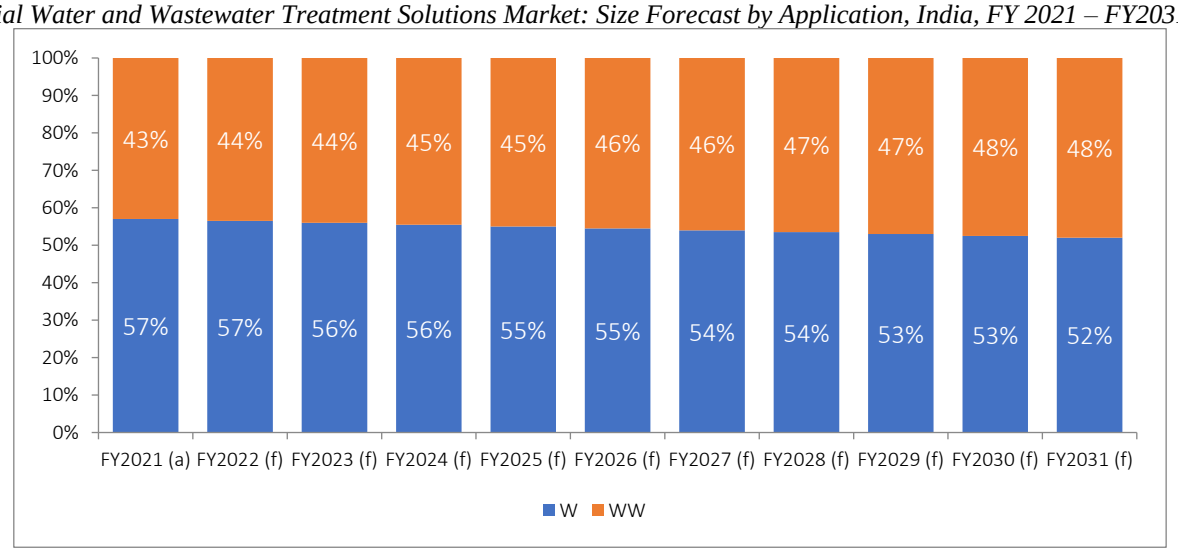
Industrial Water and Wastewater Treatment Solutions Market Size by System Type, India, FY2021



Source: Frost & Sullivan Analysis; F&S Report

According to the F&S Report, the industrial wastewater treatment solutions segment is expected to witness higher growth than the industrial water treatment solutions from Fiscal 2021 to Fiscal 2031. The higher growth is expected to be driven by regulations and end-user sustainability initiatives.

Industrial Water and Wastewater Treatment Solutions Market: Size Forecast by Application, India, FY 2021 – FY2031

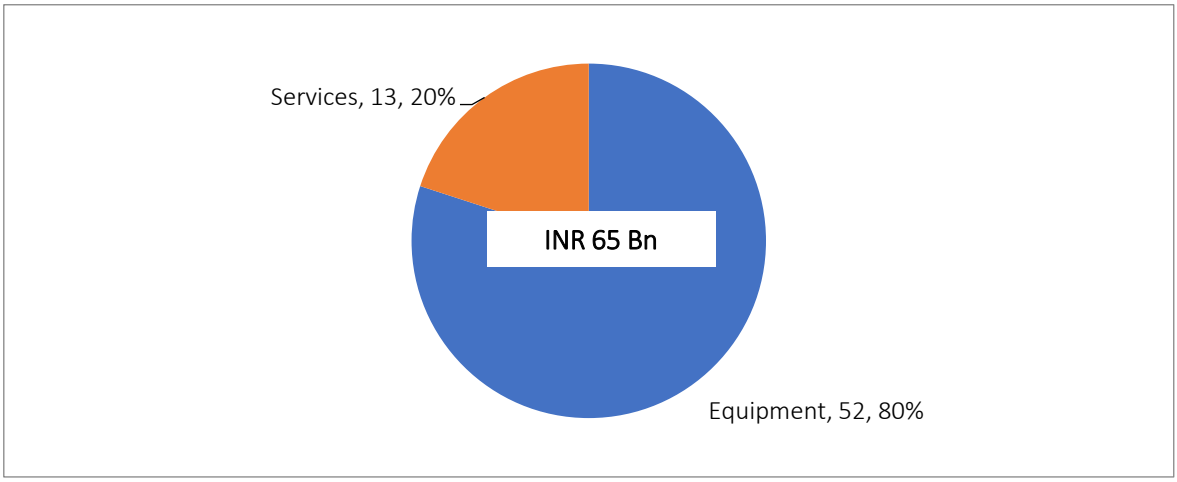


Source: Frost & Sullivan Analysis; F&S Report
Note(s): (a)-actual, (f)-forecast.

Indian industrial water and wastewater treatment solutions market by equipment and services

According to the F&S Report, in Fiscal 2021, services and equipment segment accounted for approximately 20% and 80% of the revenue generated by Indian industrial water and wastewater treatment solutions market, respectively.

Industrial Water and Wastewater Treatment Solutions Market Size by Equipment and Services, India, FY2021

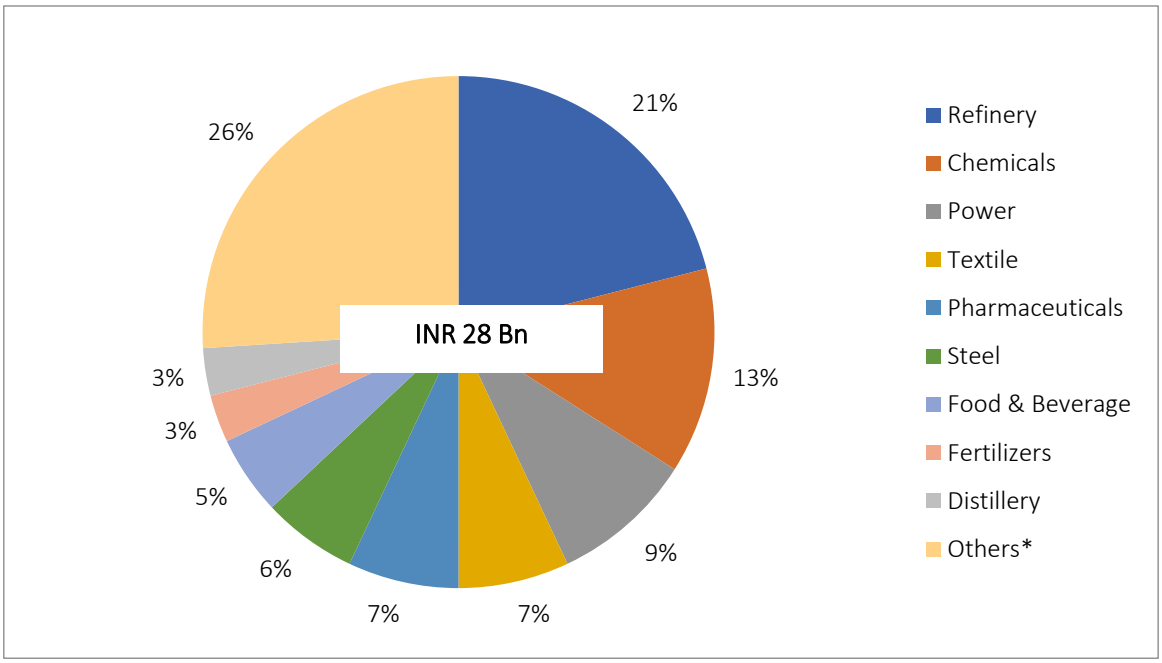


Source: Frost & Sullivan Analysis; F&S Report

Indian industrial wastewater treatment solutions market by end-user segments

According to the F&S Report, refineries have been the largest end-user segment for the industrial wastewater treatment market in India, propelled by capacity addition, Bharat Stage (BS] VI conversion projects and larger ticket sizes. Chemicals, power, textile, pharmaceuticals, food and beverage fertilizer and distillery companies are the other major end-users. Steel industry used to be a major contributor in the past, but its share in the market has declined over the years owing to the lack of investment in the industry.

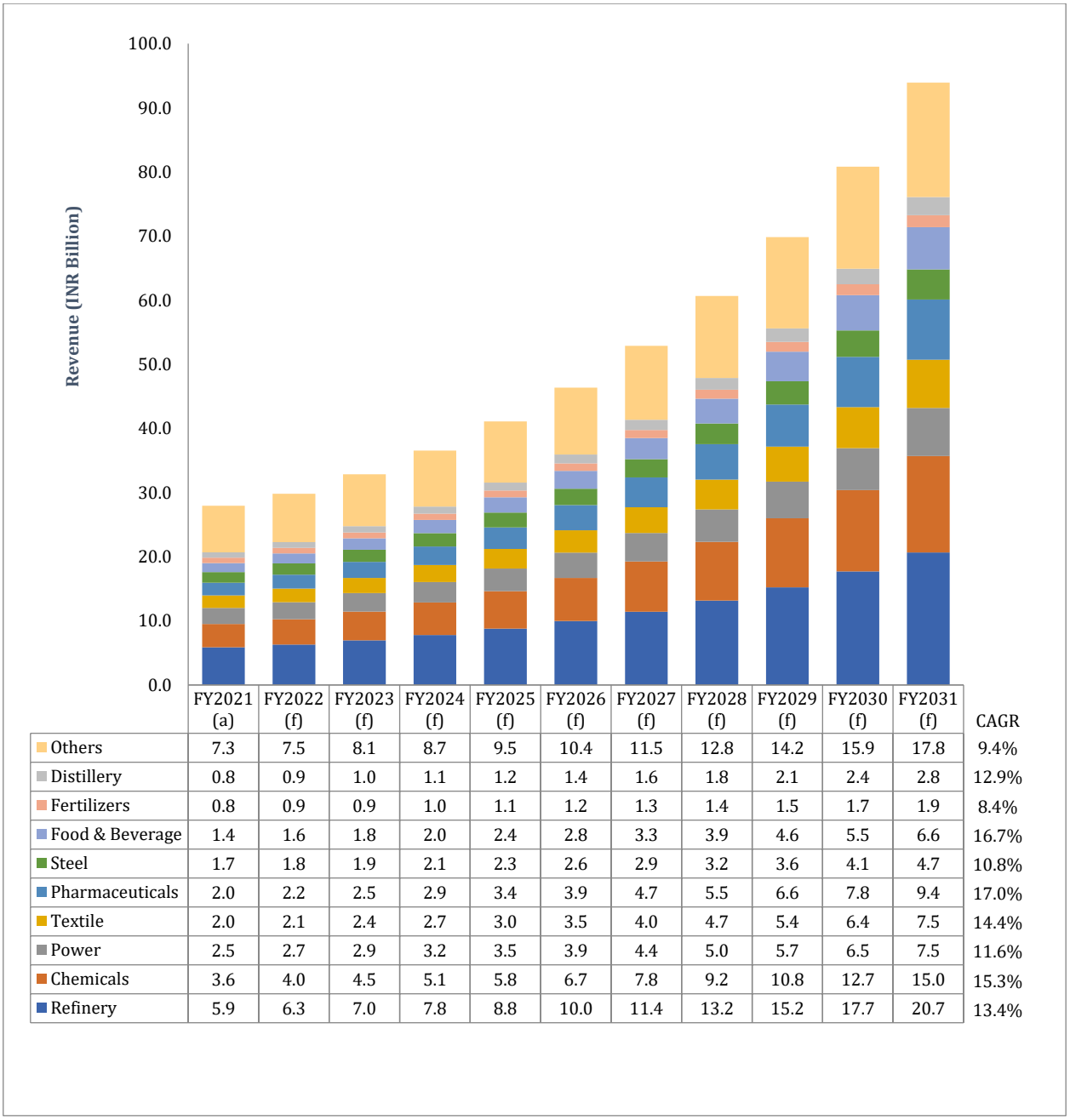
Industrial Wastewater Treatment Solutions Market by End-user Segment, India, FY2021



Note: Others include industries such as automobiles, pulp and paper, plastic, rubber, glass and ceramics, engineering and fabrication.
Source: Frost & Sullivan Analysis; F&S Report

Industrial Wastewater Treatment Solutions Market Forecast by End User Segment, India, FY 2021 – FY2031

Industrial Wastewater Treatment Solutions Market Forecast by End-user Segment, India, FY 2021–FY2031



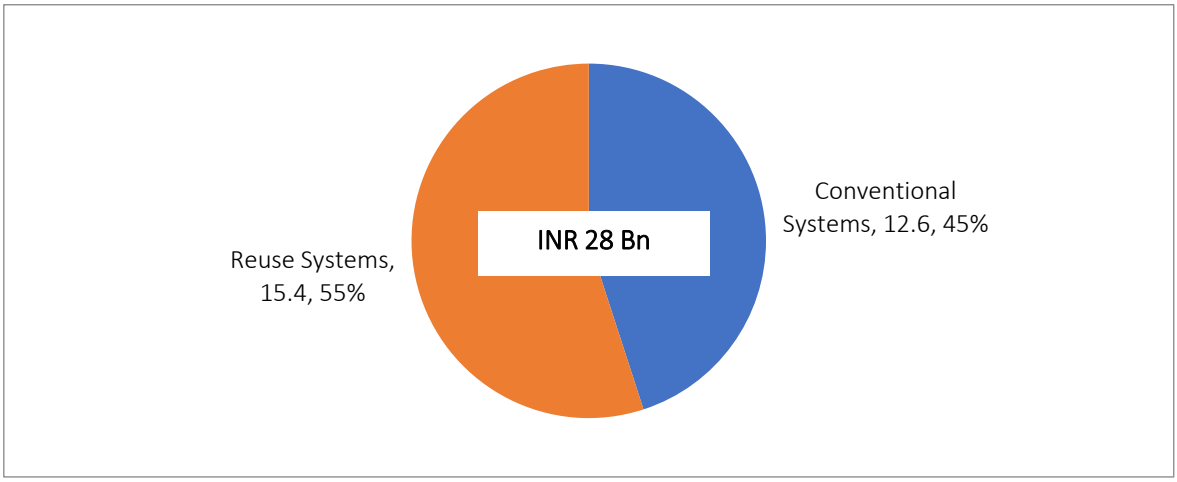
	FY2021 (a)	FY2022 (f)	FY2023 (f)	FY2024 (f)	FY2025 (f)	FY2026 (f)	FY2027 (f)	FY2028 (f)	FY2029 (f)	FY2030 (f)	FY2031 (f)	CAGR
Others	7.3	7.5	8.1	8.7	9.5	10.4	11.5	12.8	14.2	15.9	17.8	9.4%
Distillery	0.8	0.9	1.0	1.1	1.2	1.4	1.6	1.8	2.1	2.4	2.8	12.9%
Fertilizers	0.8	0.9	0.9	1.0	1.1	1.2	1.3	1.4	1.5	1.7	1.9	8.4%
Food & Beverage	1.4	1.6	1.8	2.0	2.4	2.8	3.3	3.9	4.6	5.5	6.6	16.7%
Steel	1.7	1.8	1.9	2.1	2.3	2.6	2.9	3.2	3.6	4.1	4.7	10.8%
Pharmaceuticals	2.0	2.2	2.5	2.9	3.4	3.9	4.7	5.5	6.6	7.8	9.4	17.0%
Textile	2.0	2.1	2.4	2.7	3.0	3.5	4.0	4.7	5.4	6.4	7.5	14.4%
Power	2.5	2.7	2.9	3.2	3.5	3.9	4.4	5.0	5.7	6.5	7.5	11.6%
Chemicals	3.6	4.0	4.5	5.1	5.8	6.7	7.8	9.2	10.8	12.7	15.0	15.3%
Refinery	5.9	6.3	7.0	7.8	8.8	10.0	11.4	13.2	15.2	17.7	20.7	13.4%

Note(s): (a)-actual; (f)-forecast
Source: Frost & Sullivan Analysis; F&S Report

Indian industrial wastewater treatment solutions market by conventional and reuse systems

The Indian industrial wastewater treatment solutions market can be categorized into conventional treatment systems and reuse systems. Conventional treatment system is defined as the treatment of wastewater or effluent from industries for disposal. Conventional treatment systems or methods include activated sludge process, aeration systems and upflow anaerobic sludge blanket reactors. Reuse system is defined as the treatment of wastewater from industries for reuse in either the same process or for other applications. As the demand for fresh water rises, many end users recycle wastewater for non-potable applications. Industries also recycle and reuse wastewater as process water. Notable technologies for wastewater treatment and recycling are membrane bioreactor (MBR) and ZLD. In recent years, demand for ZLD systems have increased. Frost & Sullivan estimates that ZLD systems contributed close to 5% of the revenue generated by the industrial wastewater market in India in Fiscal 2021.

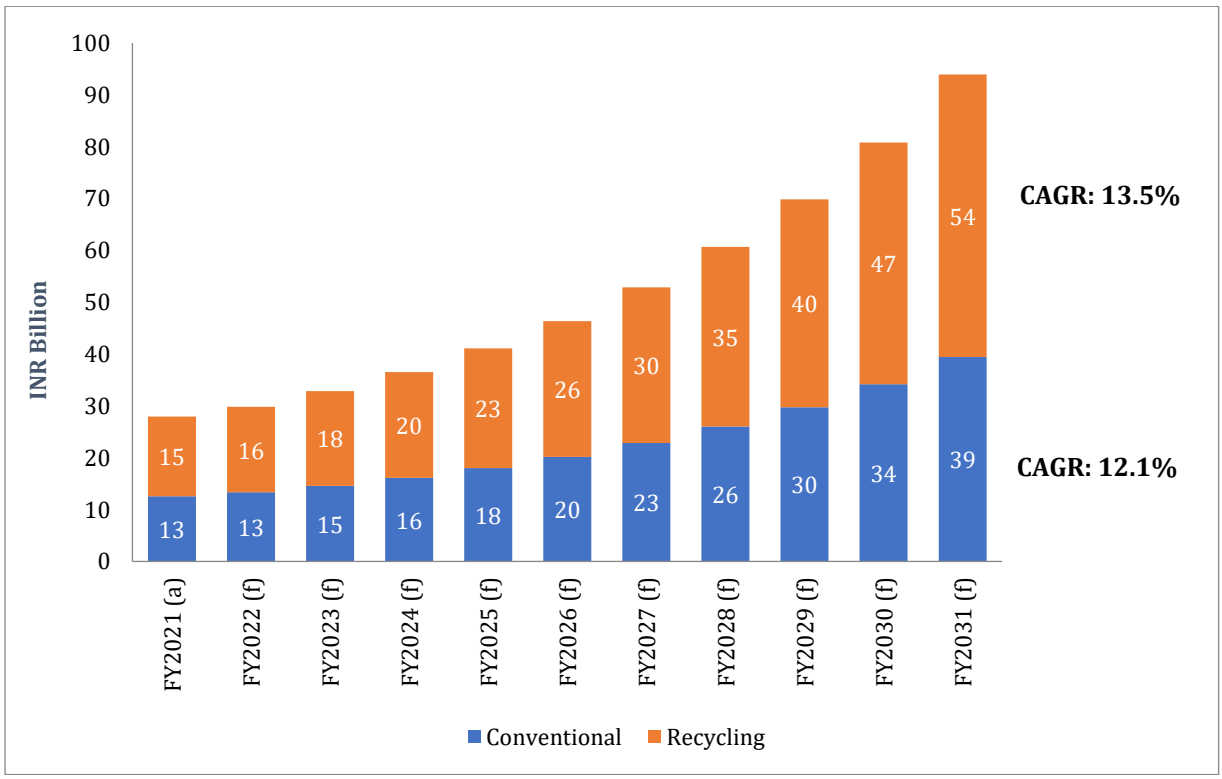
Industrial Wastewater Treatment Solutions Market Size by System Type, India, FY2021



Source: Frost & Sullivan Analysis; F&S Report

According to the F&S Report, recycling solutions segment is forecasted to grow at a CAGR of 13.5% in revenue terms from Fiscal 2021 to reach ₹54.5 billion in Fiscal 2031. For the same period, the conventional systems segment is forecasted to grow at a CAGR of 12.1% in revenue terms from Fiscal 2021 to reach ₹39.4 billion in Fiscal 2031.

Industrial Wastewater Treatment Solutions Market Forecast by Application, India, FY 2021 – FY2031



Source: Frost & Sullivan Analysis; F&S Report
Note(s): (a)-actual, (f)-forecast.

In 2031, it is forecasted that the recycling systems segment and the conventional systems segment will constitute 58% and 42% of the industrial wastewater treatment solutions market in India in revenue terms, respectively.

Market drivers of the Indian industrial water and wastewater treatment solutions market

The key market driver for the Indian industrial water and wastewater treatment solutions market is the growth of industrial sectors.

Growth of manufacturing sector in India

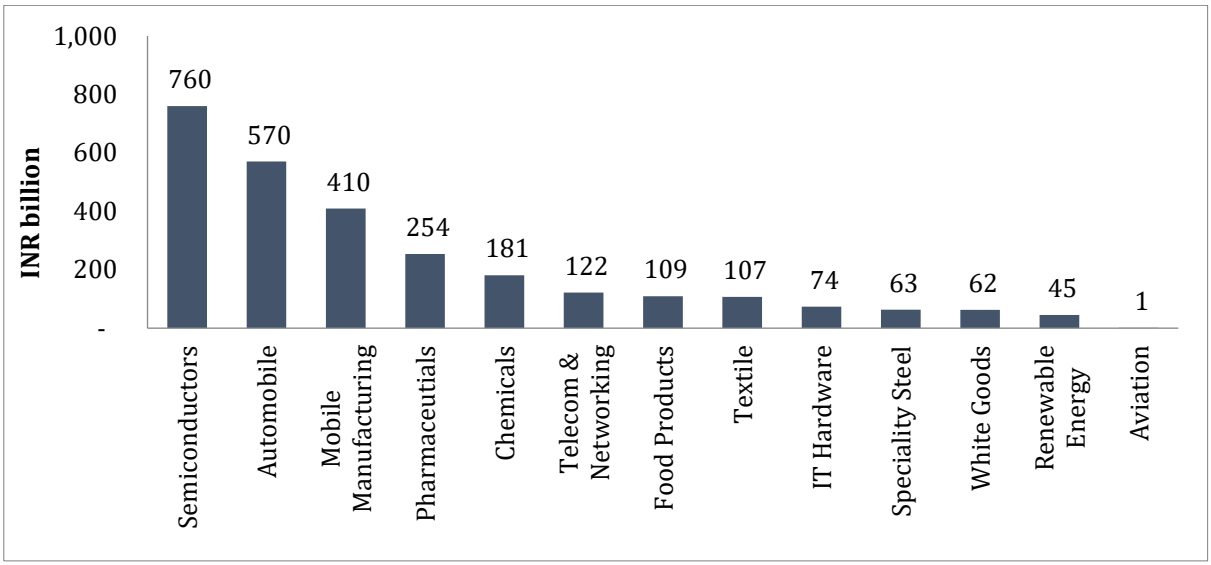
Robust domestic demand, a growing middle class, a young population and a high return on investment are some of the key factors that make India an attractive manufacturing destination.

The COVID-19 pandemic had a severe impact on India's manufacturing sector; the sector's Gross Value Added share declined to 13.8% in the first quarter of Fiscal 2021 from 17.5% in the first quarter of Fiscal 2020. However, India's manufacturing sector witnessed the strongest growth in July 2021, amid improved demand and easing of some local COVID-19 restrictions. The IHS Markit India Manufacturing Purchasing Managers' Index (PMI), which measures the performance of India's manufacturing sector, increased from 48.1 in June 2021 to 55.3 in July 2021. A score above 50 for the PMI indicates expansion, whereas a score below 50 indicates contraction. The improvement the growth of the India's manufacturing sector is also evidenced in the export performance of selected industries. According to the F&S Report, the value of merchandise exports from industries such as engineering, petroleum products, gems and jewellery, pharmaceuticals and chemicals amounted to US$11.45 billion (₹892.54 billion) in April 2021, as compared to US$5.24 billion (₹408.47 billion) in April 2020.

India's manufacturing sector is expected to be further benefited from the launch of the Make in India campaign by the Government of India. With the launch of the "Make in India" campaign, the Government of India is facilitating investment, fostering innovation, enhancing skill development, protecting intellectual property and developing a best-in-class manufacturing infrastructure in the country. Make in India has had a positive impact on the economy in terms of foreign direct investment (FDI) in manufacturing plants, boosting local employment. According to the F&S Report, since the program's launch in 2014, FDI has increased. with inflow of US$83.57 billion (₹6,514.41 billion) in Fiscal 2022 and US$81.97 billion (₹6,389.68 billion) in Fiscal 2021. According to the F&S Report, FDI in manufacturing increased by 76% in Fiscal 2022..

In addition, the Government of India announced the Production Linked Incentives (PLI) scheme in March 2020. The PLI scheme provides turnover-linked incentives to investors upon meeting investment, capacity and turnover criteria. The scheme's objectives are to scale up domestic manufacturing facilities, increase import substitution/n through domestic production and generate employment opportunities. The PLI schemes are expected to further drive the growth of the Indian manufacturing sector.

PLI Scheme – Financial Outlay by Sector, India, 2021

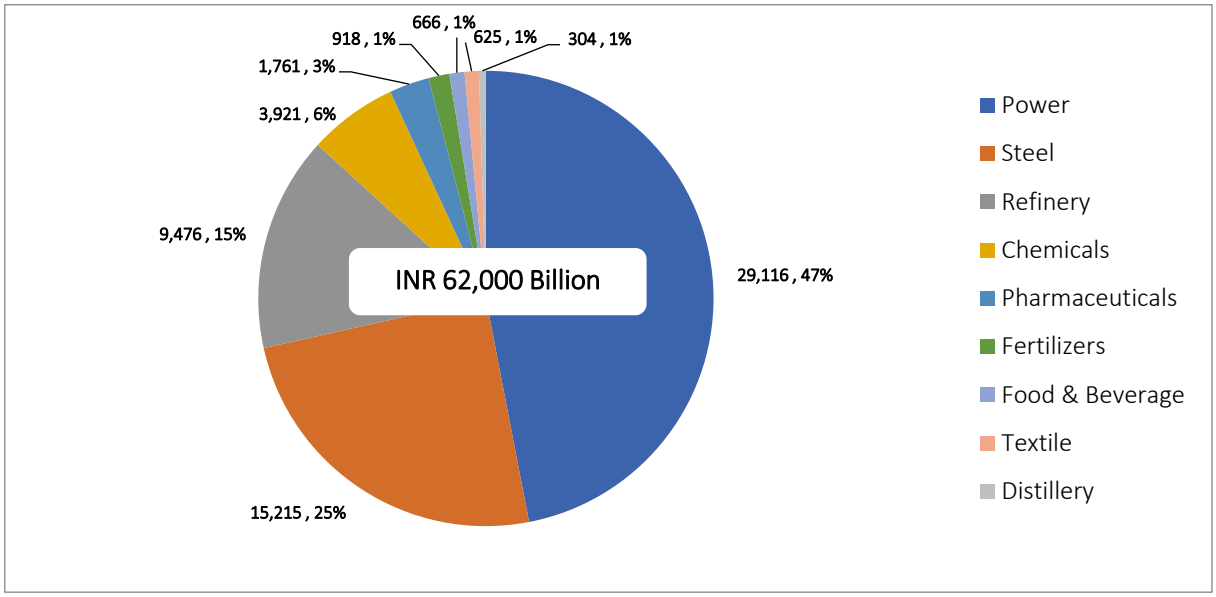


Source: Government of India, Bloomberg, F&S Report

Investments into end-user industries

According to the F&S Report, India is expected to witness huge industrial investment, at around ₹62,000 billion between 2022 and 2030

Investments by End-user Industry, India, 2022 – 2030



Source: Center for Monitoring Indian Economy (CMIE) CapEx database; F&S Report

Power end-user industry

A growing population along with increasing electrification and per capita usage are driving the demand for investments in power plants in India. The Government of India has identified power as a sector of focus to promote sustained industrial growth. Government initiatives, such as the Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY) and Integrated Power Development Scheme (IPDS), would boost investments in the segment. According to the F&S Report, FDI of 100% is allowed in the power sector. Total FDI inflow reached US$15.36 billion (₹1,197.34 billion) between April 2000 and June 2021.

Metals and minerals end-user industry

Increasing infrastructure development and automotive production in India are driving demand for metals and minerals. The electricity and cement industries are also supporting the industry's growth. Demand for iron and steel is on the increase in residential and commercial construction. Significant growth opportunities for new iron ore, bauxite, and coal mining capacity. With the launch of the National Mineral Policy 2019 and the Mines and Minerals (Development and Regulation) Amendment Act 2021, India presents a major opportunity for investors.

Refineries end-user industry

India is the third-largest energy and oil consumer in the world, after China and the United States. India has a refining capacity of 249 million metric tons per annum (MMTPA) and would reach 298 MMTPA by 2025, according to the F&S Report. State refining companies are expected to invest ₹2 trillion (US$26.96 billion) to boost oil refining capacity by 20% by 2025, according to the F&S Report. Growing demand for energy and petroleum products in India would support this investment.

Chemicals and petrochemicals end-user industry

According to the F&S Report, the Indian chemicals industry was valued at ₹13,875.37 billion (US$178 billion) in Fiscal 2019 and is predicted to grow at a CAGR of 9.3% to ₹23,697.26 billion (US$304 billion) by Fiscal 2025. By 2025, chemical demand is predicted to grow at a rate of 9% per year and contribute approximately ₹23,385.45 billion (US$300 billion) to the country's GDP. Petrochemicals revenue is expected to record a CAGR of 7.5% from Fiscal 2019 and Fiscal 2023. The Indian chemicals and petrochemicals sector is expected to receive an investment of approximately ₹8,000 billion (US$103 billion) by 2025, according to the F&S Report.

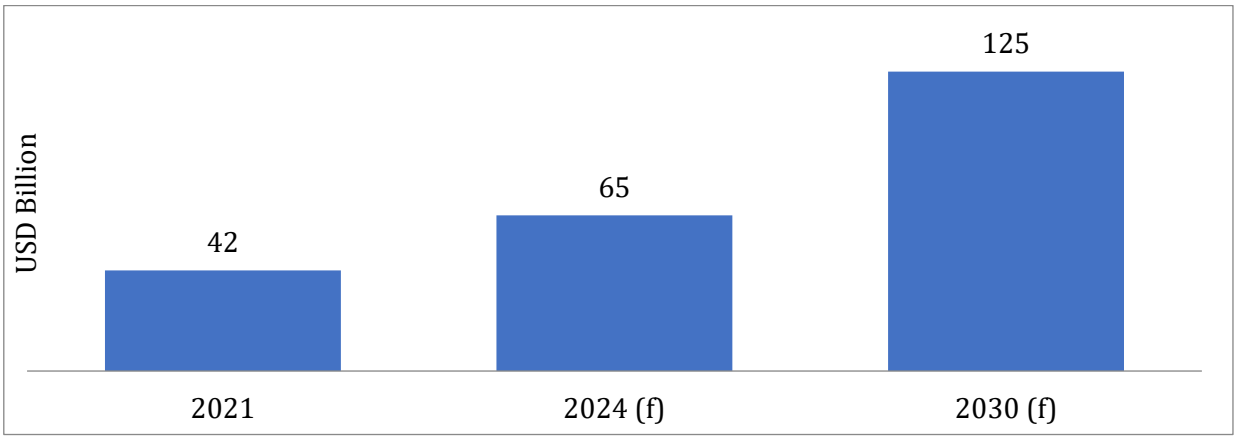
The Government of India launched the Petroleum, Chemicals and Petrochemical Investment Regions (PCPIRs) policy to accelerate investments in the sector. Approximately 350,000 people were employed in direct and indirect activities related to PCPIRs at the end of 2020. In December 2020, the PCPIR policy was redesigned for the 2020 – 2035 period and investments worth ₹10,000 billion (US$142 billion) and ₹20,000 billion (US$284) billion is targeted by 2025 and 2035 in all PCPIRs across the country, respectively, according to the F&S Report.

Pharmaceuticals end-user industry

India is a significant and rapidly expanding supplier in the global pharmaceuticals industry. It is the world's largest supplier of generic medicines by volume, accounting for an average of 20%. It also meets 60% of global demand for vaccines.

India relies on imports for bulk drugs that are processed to produce generic medicines. To achieve self-sufficiency and reduce reliance on imports, the Department of Pharmaceuticals launched a PLI scheme to promote domestic manufacturing by establishing greenfield plants with a total outlay of ₹69.4 billion from Fiscal 2021 to Fiscal 2030. Various companies have made commitments for domestic production and 49 applications were approved as of March 2022. Pharmaceutical companies are trying to strengthen their market position and expand by heavily investing in research and development activities. India plans to set up an ₹1 trillion fund to encourage companies to manufacture pharmaceutical ingredients locally by 2023. More investments in the segment would increase the demand for water and wastewater treatment solutions.

Pharmaceutical Market Forecasts, India, 2021, 2024 & 2030



Note(s): (f) – forecast
Source: F&S Report; IBEF Report on Pharmaceutical Industry, July 2021

Textiles end-user industry

India's textile industry is one of the oldest industries of the Indian economy. According to the F&S Report, domestic clothing and textiles industry contribute to an average of 5% of India's GDP, 7% of the industry's production in terms of value and 12% of its export income. According to the F&S Report, about 6% of the world's largest technical textile manufacturers are in India. India is also the world's second-largest silk manufacturer in 2020, according to the F&S Report (per International Sericultural Commission of the United Nation). According to the F&S Report, the textile industry is expected to grow at a CAGR of 6.6% from ₹11,692.72 billion (US$150 billion) in Fiscal 2020 to ₹17,149.33 billion (US$220 billion) in Fiscal 2026. Strong policy support such as the National Textile Policy to facilitate the sector adopt global best practices and increase exports, would drive investments in the sector. The Government of India approved ₹44.45 billion October 2021 to establish seven integrated mega textile parks to boost domestic manufacturing .

Food & Beverage end-user industry

The Food & beverage industry is one of India's largest employers and accounts for an annual average of approximately 3% of India's GDP. The food ecosystem offers enormous opportunities for investment with favourable economic policies, attractive fiscal stimuli, and growth in food retail. Under the Mega Food Parks Scheme, 41 food parks (refers to food processing infrastructure near the farms) have been approved by the government while 22 are operational as of 1 April 2021.

Indian water and wastewater treatment solutions market value chain analysis

A water and wastewater treatment solutions project involves the following aspects:-

Project Value Chain Analysis, India, 2021

Design	Water and wastewater treatment systems are designed based on input/feed water quality, end application, and effluent quality.
Component Manufacturing	A few water EPC companies manufacture membrane modules, evaporators, and other major components in-house, but the common practice is to procure components from other suppliers.
System Integration & Installation/ Commissioning	This stage consists of assembling all the components at the client site based on the design and commissioning the system.
Operation & Maintenance	O&M activities are commonly outsourced to water EPC companies. Contract duration varies from 1 year to more than 10 years. Municipal contracts are usually for 10 or more years. The most common industrial contract duration is around 3 years.
Internet of Things	This includes solutions for O&M, real-time monitoring, and remote monitoring of assets, primarily for industrial plants

Source: Frost & Sullivan Analysis; F&S Report

OVERVIEW OF THE INDIAN INDUSTRIAL WASTEWATER RECYCLING/REUSE MARKET ANALYSIS

Indian industrial wastewater recycling/reuse market trends

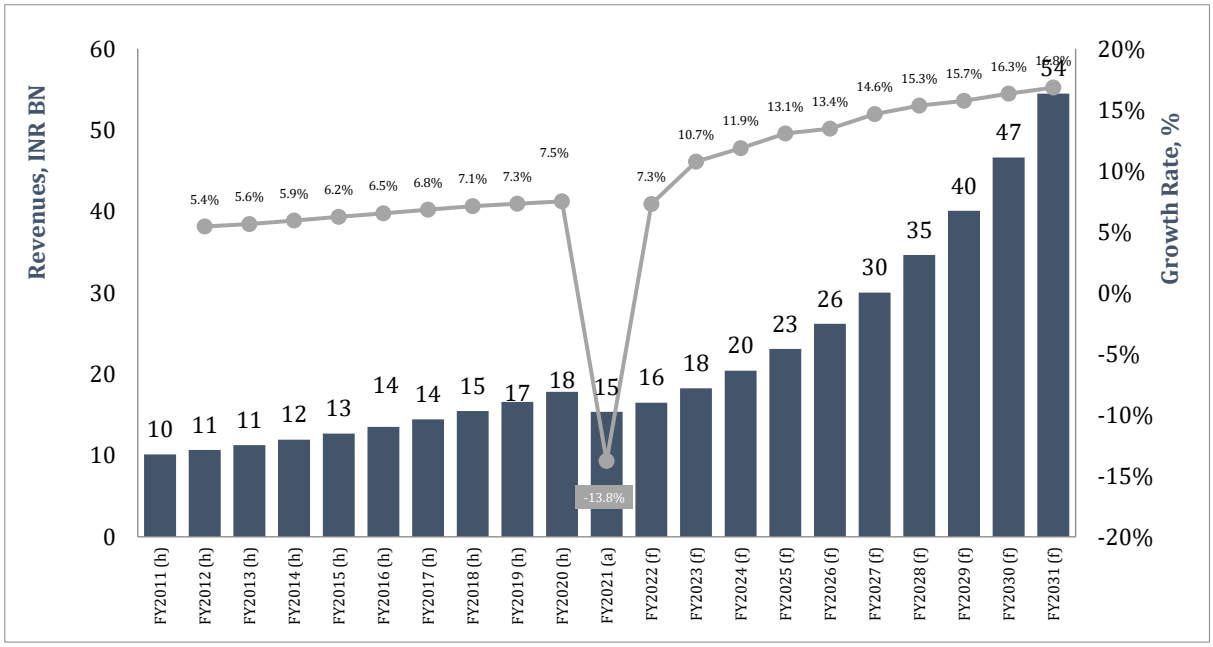
According to the F&S Report, wastewater recycling and reuse in India is in the growth stage, mainly driven by regulations associated with wastewater disposal. The high cost of recycling and reuse systems, which has been a major factor limiting growth, is being outweighed by the high cost of wastewater disposal and penalties associated with non-compliance. Other factors that are driving the growth include the following:

- Increasing water scarcity;
- Technological improvements in water recovery through recycle and reuse systems;
- Water from conventional sources is becoming more expensive than recycle water;
- A growing tendency among foreign companies to only import industrial products that follow sustainable production processes; and
- Awareness of environmental problems and SDG initiatives.

Size of the Indian industrial wastewater recycling/reuse market

According to the F&S Report, the Indian industrial wastewater recycling and reuse solutions market is forecasted to grow at a CAGR of 13.5% in revenue terms from ₹15.1 billion in Fiscal 2021 to ₹54.5 billion in Fiscal 2031.

Recycling and Reuse Solutions Market Size and Forecasts, India, FY 2011 – FY2021



Source: Frost & Sullivan Analysis; F&S Report
Note(s): (h)-historical, (a)-actual, (f)-forecast.

Indian industrial wastewater recycling/reuse market by equipment and services

The Indian industrial wastewater recycling/reuse market may be categorized into (i) the equipment segment and (ii) the operation and maintenance segment. According to the F&S Report, in Fiscal 2021, the equipment or systems segment accounted for 70-75% of the total industrial wastewater recycling/reuse market in India, with the remaining 25-30% contributed from O&M services segment.

Industries that have adopted wastewater recycling/reuse systems

Currently, recycling/ZLD systems are mainly implemented by industries as a result of court orders or SPCB/State Environment Impact Assessment Authority (SEIAA) directions. The CPCB classifies industrial operations in India based on their pollution levels into red, orange, green and white categories. According to the F&S Report, approximately 85 industrial sectors were classified under the red category but only 18 implemented ZLD in India as of 2020.

The Indian manufacturing sector is characterized by the a large base of small and medium sized industries, called as small and medium sized enterprises (SME). The SMEs, given their low scale of operations, do not have necessary funds to install wastewater treatment systems. To address this issue, regulators and industry associations use the Common Effluent Treatment Plants (CETP) concept in industrial zones or hubs, where individual companies can discharge their wastewater for treatment. There are around 190 CETPs in India as per the latest CPCB update in 2018, including around 40 CETPs developed in the tannery/textile industry, according to the F&S Report. About 60 CETPs are not meeting Total Dissolved Solids (TDS) and/or Chemical Oxygen Demand (COD) norms. Most industrial clusters are accused of polluting rivers and groundwater, and 88 CETPs were involved in litigation on pollution/non-compliance issues during 2020. The National Green Tribunal (NGT) has taken upriver pollution issues seriously, which has increased recycle and reuse system demand.

Industries that have adopted recycling and reuse systems, India

S.No.	Industries	Adoption Rate
1	Distilleries	High
2	Leather tanneries	High
3	Fertilizers	High
4	Chloralkali plants	High
5	Dye anddye intermediate units	High
6	Pesticides	High
7	Pharmaceuticals	High
8	Sulphuric acid	High
9	Breweries	High
10	Textile dyeing	High
11	Paints and pigments	High
12	Pulp and paper	Medium

S.No.	Industries	Adoption Rate
13	Thermal power plants	Medium
14	Iron and steel	Medium
15	Oil refineries	Medium
16	Zinc smelting	Medium
17	Copper smelting	Medium
18	Aluminium smelting	Medium
19	Petrochemicals	Medium
20	Sugar	Low
21	Cement	Low
22	Ceramic	Low
23	Glass	Low

Source: Frost & Sullivan Analysis; F&S Report
Note: Industry names are per CPCB's classification

End-user industry technology options and potential for ZLD solutions, India, 2021

Industry	ZLD Treatment Options	ZLD Potential
Distillery	• RO/MEE • Incineration • Biocomposting	High
Tannery	• RO • MEE	High
Pulp and paper	• RO • NF/UF • Evaporator, concentrator/crystallizer	Medium - High
Pharmaceuticals	• Filtration • RO • MEE • Incinerators	High
Textiles	• Filtration • Adsorption • RO • MEE	High
Refineries	• RO	Medium
Fertilizer	• RO	Medium
Dye and Dye Intermediates	• MEE	High

Source: CPCB and Frost & Sullivan Analysis; F&S Report

In India, there are no central regulations or standards for the implementation of recycling and reuse or ZLD systems. However, NGT initiatives have driven the implementation of ZLD in a few states. According to the F&S Report (per a National Mission for Clean Ganga report), the following states have adopted ZLD systems:

- ***Tamil Nadu***: All pollution industries, as defined by CPCB have implemented ZLD;
- ***Maharashtra***: All industries have implemented ZLD and no industry is allowed to discharge treated/ untreated effluents into rivers;
- ***Odisha***: Twelve out of 22 industries have implemented ZLD;
- ***Uttarakhand***: Two highly polluting industries have adopted ZLD;
- ***Punjab***: CETP and the electroplating industry have implemented ZLD.

Other states, such as Haryana, Gujarat, Maharastra, Tamil Nadu, Uttar Pradesh, Rajasthan, Karnataka etc., have developed a policy for recycle and reuse, which will drive demand for ZLD systems.

Recycling and reuse technologies

The major recycling and reuse technologies adopted in India are

- MBR;
- RO-based systems; and

- Evaporation technologies (multiple effect evaporator (MEE), mechanical vacuum compressor (MVR), waste heat evaporators (WHE)).

Other technologies available in the country include agitated thin film dryer (ATFD), incinerator, and solvent extraction.

Recycling and reuse technologies: applications, advantages and disadvantages, India, 2021

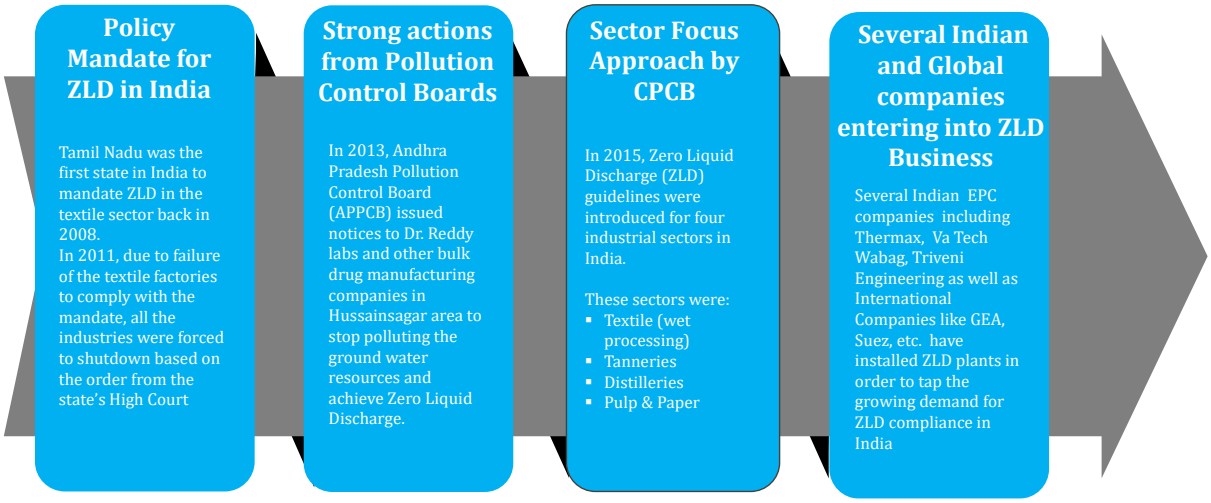
Technology	Advantages	Disadvantages	Applications
MBR	• Recycled water from MBR has better quality than common technologies such as MBBT and SBR.	• CAPEX is higher than conventional wastewater treatment technologies. • Membrane must be replaced every five years because of fouling.	• Textiles • Refineries • Fertilizer • CETP
RO	• The most effective recycle and reuse technology with less consumption of chemicals when compared with ion exchange technology. • Treated water quality is very high and is fit for usage in industrial process applications.	• CAPEX and OPEX are very high. • Membrane replacement due to fouling. • CAPEX involved in solutions for RO reject water.	• Power • Refineries • Textiles • Fertilizers • Chemicals • Other industries
MEE	• Time-tested technology for achieving ZLD.	• High OPEX due to steam requirement.	• Pharmaceutical • Textile • Pesticide • Dyes and dye intermediates • Steel • Fertilizer
MVR	• Lower CAPEX when compared with MEE as this technology does not require steam.	• Preferred only when heat/ steam energy is not available in the industrial process.	• Textile
WHE	• Made using corrosion resistant materials. • Low CAPEX and OPEX. • High quality distillate • Long equipment life	• Temperature control is a concern.	• Power • Refineries • Textiles • Fertilizers • Chemicals • Other industries
Solvent extraction (air stripper)	• Well-proven technology for solvent removal. • Cost-effective solution for solvents with low solubility in water.	• This technology is only effective when large volumes of solvent with low solubility in water is available for treatment.	• Pharmaceuticals • Pesticide • Chemicals
Solvent extraction (stream stripper)	• Efficiency is higher than air stripper method.	• High OPEX due to scaling issue, which requires periodic cleaning.	• Pharmaceuticals • Pesticide • Chemicals
Crystallizer	• Effective technology to recover salts such as sodium sulfate, sodium chloride, sodium thiosulphate, and zinc sulfate.	• High OPEX due to scaling and corrosion issues which require frequent cleaning.	• All industries
ATFD	• High evaporation rate	• High OPEX due to scaling and corrosion issues which require frequent cleaning	• Dye and dye intermediates • Textiles • Pharmaceuticals
Incinerator	• Effective on wastewater that has very high COD and is difficult to biodegrade.	• High OPEX due to high energy consumption	• Dye and dye intermediates • Pharmaceuticals • Pesticides

Source: Gujarat Pollution Control Board (2016); F&S Report

ZLD evaporators

According to the F&S Report, the Indian ZLD evaporator business has seen significant growth in the past decade backed by strong regulatory enforcements and water scarcity issues. According to the F&S Report, it is estimated that ZLD evaporators accounted for close to 9% of the industrial wastewater treatment solutions market in India, in revenue terms, in in Fiscal 2021.

Key growth enablers for ZLD evaporators, India, 2021



Source: Frost & Sullivan Analysis; F&S Report

Major ZLD evaporator technologies

Three (3) major ZLD evaporator technologies available in Indian market are as follows:

- MEE systems are simpler systems requiring a high thermal energy input in the form of heat or steam;
- MVR systems are complex; output is better but CAPEX is higher; and
- WHE systems are compact and efficient as they use waste heat from industrial process for evaporation.

Among MEE and MVR, MEE is preferred due to the low CAPEX.

Apart from MEE and MVR, another key technology available in the market for evaporator is WHE. The compact and efficient WHE technology is available for industries that generate wastewater with high levels of contaminants and corrosive constituents. WHE technology offers lower O&M costs. The Global Climate Partnership Fund (GCPF) partnered with the Confederation of Indian Industry–Green Business Center (CII-GBC) to evaluate ZLD systems' energy consumption patterns in various industries and concluded that WHE technology consumes less energy.

Energy and Carbon Emission Comparisons for ZLD Technologies, India, 2021

Technology	Energy/kiloliter(in kWh)	CO_2 kiloliter(in kg)
MEE	899	128
High pressure reverse osmosis (HPRO) + MEE	227	46
HPRO + WHE	24	21
% savings with HPRO + MEE	74.7%	64.1%
% savings with HPRO + WHE	97.3%	83.3%

Source: Cast Study from Honda Motorcycle & Scooters conducted by CII-GBC; F&S Report

Major end-user segments for ZLD evaporators

According to the F&S Report, the chemicals industry has been the largest end-user of ZLD evaporators in India. In the chemicals industry, any impurities in water may result in an unintended chemical reaction. ZLD evaporator systems are commonly used in wet processes in the textile industry, such as dyeing. The pharmaceutical industry is the third largest end-user of ZLD evaporators. Food and beverage companies, power plants, refineries, sugar factories, and distilleries also use ZLD evaporators

Suppliers of ZLD evaporators

According to the F&S Report, Chem Process, Concord Enviro, Mazda Limited, Ketav Consultants, Mojj Engineering Systems, SSP Private Limited, Unitop Aquacare Limited, Praj Industries, Chemin Enviro, Spray Engineering Devices, and Arvind Envisol etc. are some of the prominent companies operating in the ZLD evaporators space.

Technology innovations for Industrial wastewater treatment – membrane technologies

Membrane technologies are gaining traction in industrial wastewater treatment due to their higher efficiency in treating chemical oxygen demand (COD), biological oxygen demand (BOD), total suspended substance, and organic compounds

compared to conventional wastewater treatment. Membrane technologies require less space and are modular. Two types of membrane technologies, namely MBR and membrane distillation, are common in industrial wastewater treatment. Membranes are packed in modules with reactors and the membranes are plate and frame, tubular, spiral wound, and hollow fiber. The scale of operations and amount of wastewater to be treated dictates the construction method.

Developments membrane technologies include:

- ***Hybrid microfiltration (MF)-osmosis membrane for environmentally friendly wastewater treatment:***
    - The combination of MF and osmosis membrane eliminates the need for the nitrification and denitrification process as it enables the effective removal of nitrogen. This reduces operating costs.
    - The hybrid membrane technology reduces the risk of membrane fouling compared to a pure microfiltration membrane technology.
    - As a clean technology, hybrid membranes are emerging as a viable alternative to treat complex industrial wastewater as they eliminate the need for conventional tertiary treatment.
    - The MF-osmosis membranes such as the microfiltration-osmosis membrane (reverse and forward osmosis) are mainly adopted in pharmaceutical and detergent applications to remove organic compounds.
- ***Ultrafiltration (UF) and Nano filtration (NF) hybrid membranes:***
    - UF-RO & NF-RO membranes demonstrate higher efficiency in removing oil, grease, and phenol compounds than a pure form of UR and NF membrane.
    - The hybrid membranes have a higher rejection rate of COD and BOD than the pure forms.
    - The energy-efficient technology removes the need for tertiary treatment and the pre-treatment process and reduces the risk of membrane fouling.
    - The UF or MF membrane has the potential to be a highly efficient treatment process, but further study is required to establish safety and efficiency in prolonged use.

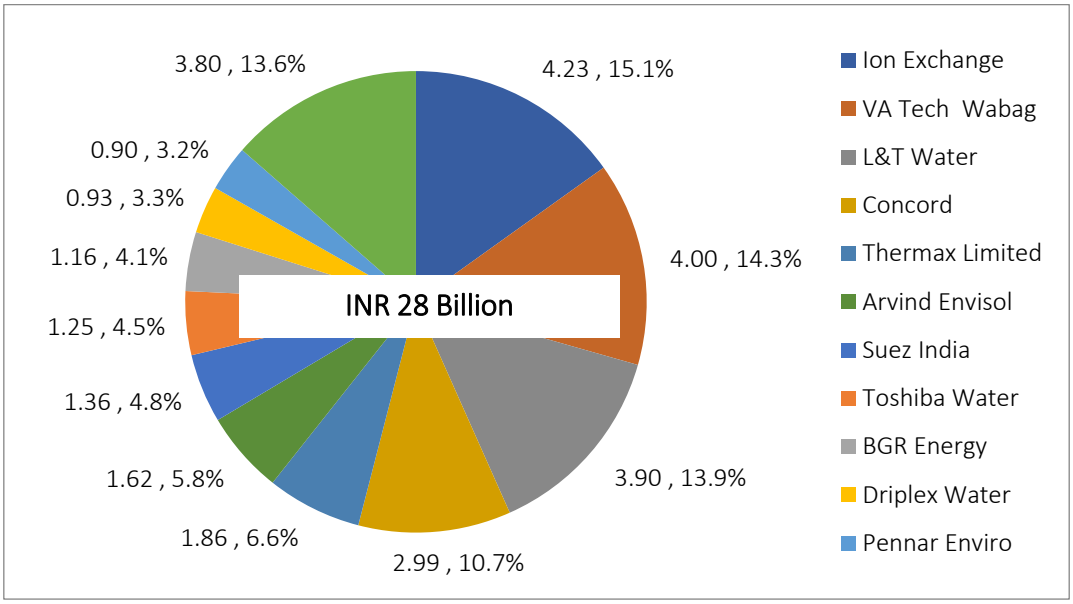
Other developments include ultra-high pressure RO membranes that operate at more than 50% higher pressure than those available today. These membranes are being deployed in ZLD industrial effluent treatment process.

COMPETITIVE ANALYSIS OF INDIAN INDUSTRIAL WASTEWATER TREATMENT SOLUTIONS MARKET

Major players in the Indian industrial wastewater treatment solutions market

According to the F&S Report, More than 100 companies compete in India's industrial wastewater treatment market.

Market Share Analysis of Industrial Wastewater Treatment Market, Revenue, India, 2021

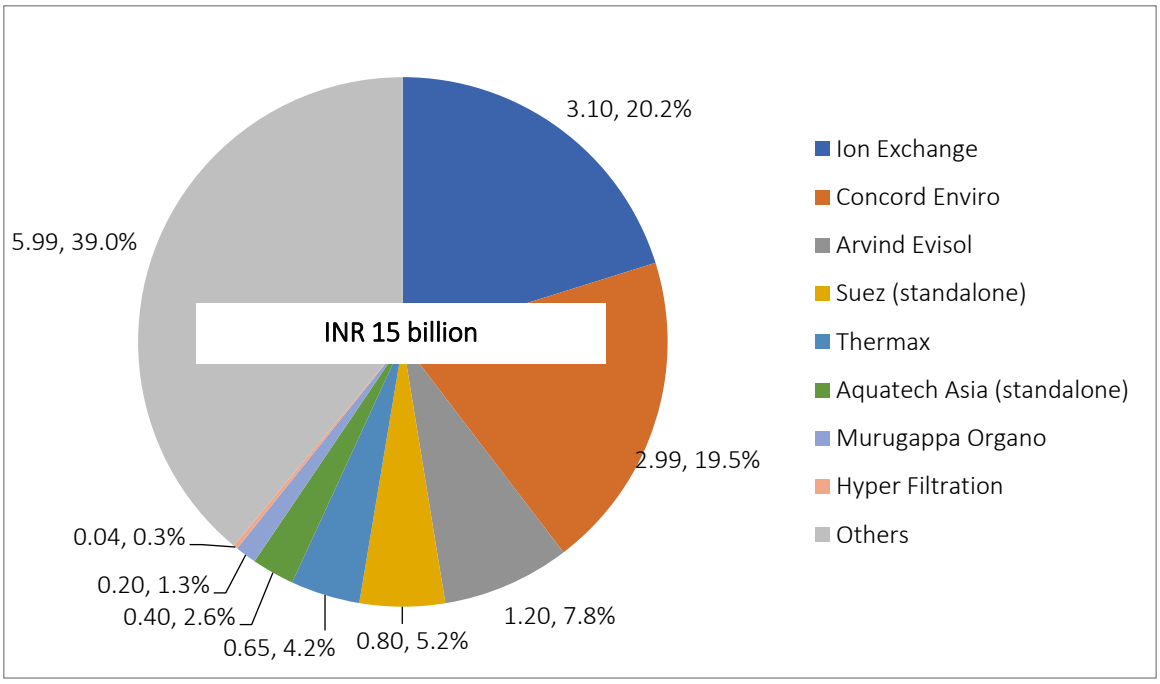


Source: Frost & Sullivan Analysis; F&S Report

Major players in the Indian industrial wastewater recycling and reuse solutions market

According to the F&S Report, the major industrial wastewater recycling and reuse EPC companies are Ion Exchange, Concord Enviro, Arvind Envirsol, Thermax and Suez. In Fiscal 2021, these five companies have a combined share of 56.9% of the industrial wastewater recycle and reuse solutions market in India.

Industrial Wastewater Recycle and Reuse Solution Market, Revenue Share Analysis, India, 2021



Source: Frost & Sullivan Analysis; F&S Report

In Fiscal 2021, Concord Enviro was the second-largest solution provider for the industrial water recycle and reuse systems, in terms of revenue. The integrated provider of wastewater reuse and ZLD solutions conducts several value chain activities in-house, including design, component manufacturing, installation/commissioning, O&M, and digitalization. In Fiscal 2022, Concord Enviro provided O&M services to more than 60% of its client base, developing long-term relationships and creating value for customers. The strengths of Concord Enviro are its value chain capabilities which include in-house membrane casting and evaporator manufacturing. According to the F&S Report, it was also the first company to introduce ultra-high pressure reverse osmosis (RO) membranes, enabling high recovery rates in India. Its WHE solutions reduce customers' energy and operating expenditure. Concord also provides digitalization solutions (including IoT) using sensors, particularly for O&M services.

Industrial Wastewater Recycling and Reuse Solutions Providers, India, 2021

Company	Conventional Wastewater Treatment Solutions	Recycling and Reuse Solutions
Ion Exchange	✓	✓
Thermax	✓	✓
Suez	✓	✓
Arvind Evisol	✓	✓
Praj Industries	✓	✓
Triveni	✓	✓
Aquatech Asia	✓	✓
Wipro Water	✓	✓
Murugappa Organo	✓	✓
Concord Enviro	✓	✓
KEP Engineering	✓	✓
Enviro Control Private Ltd	✓	✓
Waterleau	✓	✓
Apec Ecotech	✓	✓
VA Tech Wabag	✓	
L&T Water	✓	
UEM	✓	
BGR	✓	
Driplex	✓	
Pennar Enviro	✓	

Company	Conventional Wastewater Treatment Solutions	Recycling and Reuse Solutions
Paramount	✓	
Ketav Consultants	✓	
Marcuras	✓	
Unitop Aquacare	✓	
Chemprocess	✓	
Mazda Ltd.	✓	
Mojj Engineering	✓	
Clear Water	✓	
Pacques India	✓	
IDE Technologies	✓	
Raj Water Technology	✓	
Aldee Water	✓	
Ionic Engineering	✓	

Source: Frost & Sullivan Analysis; F&S Report

Company Mapping across the Project Value Chain, India, 2022

Company	Value Chain for Recycling and Reuse Solutions				
	Design	Component Manufacturing	Integration & Installation/Commissioning	O&M	IoT
Concord Enviro	✓	✓	✓	✓	✓
Thermax	✓	✓	✓	✓	✓
Wipro Water	✓	✓	✓	✓	✓
Ion Exchange	✓	✓	✓	✓	
Arvind Evisol	✓	✓	✓	✓	
Murugappa Organo	✓	✓	✓	✓	
Triveni	✓	✓	✓	✓	
Aquatech Asia	✓	✓	✓	✓	
KEP Engineering	✓	✓	✓	✓	
Enviro Control Private Ltd	✓	✓	✓	✓	
Apec Ecotech	✓	✓	✓	✓	
Hyper Filtration	✓		✓	✓	
Suez	✓		✓		✓
Praj Industries	✓	✓	✓		
Decknomet	✓		✓		
Waterleau		✓			
Gradiant India Pvt Ltd		✓			
Permionics Membranes		✓			
Alfa Laval		✓			

Legend		High Expertise		Medium Expertise		Low Expertise

Source: Frost & Sullivan Analysis; F&S Report

Industrial Wastewater Recycling: Company Mapping across Key Technologies Value Chain, India, 2022

Company	MBR	RO	MEE	MVR	WHE	ATFD
Ion Exchange	✓	✓	✓			
Concord Enviro	✓	✓	✓		✓	
Arvind Envisol	✓	✓	✓	✓	✓	✓
Suez	✓					
Thermax	✓		✓	✓		✓
Aquatech Asia	✓	✓	✓			
Murugappa Organo	✓	✓	✓			
Hyper Filtration	✓	✓	✓			✓

Legend		High Expertise		Medium Expertise		Low Expertise

Source: company websites; F&S Report

OVERVIEW OF THE OFFSHORE DESALINATION MARKET

Composition of the offshore desalination market in India

Offshore desalination refers to providing water and wastewater treatment systems to

- Offshore oil and gas platforms; and
- Ships: This includes government defence war ships, Indian navy, Indian coast guard, merchant, and cargo ships.

Frost & Sullivan estimates the offshore desalination market opportunity to be approximately ₹700 million in Fiscal 2021. Ships segment is estimated to be the largest segment, contributing to approximately 64% of the total opportunity.

Indian oil and gas offshore desalination market insights

Key applications for desalination systems are for drinking water only. This industry requires reliable equipment and accordingly, quality is a top criterion in vendor selection. Desalination systems are procured through limited tender process. End user have a prequalified list of vendors and the invitation to bid is only sent to them. Notable customers in this industry are Oil and Natural Gas Corporation (ONGC) and large EPC companies such as Afcons. The size of the desalination systems used for drinking water applications varies from 30,000 to 100,000 tons per day.

Vendors include Concord Enviro, Meco, Parker Hannifin, C'treat (ITT), and Alfa Laval. Most companies import complete kits, while only Concord Enviro manufactures locally and has more than 20 years of experience in this market.

Ships desalination market insights

Desalination systems in defense warships and navy ships are mainly used for drinking water and technical-grade water for turbine washing, steam boilers, and battery recharging. The desalination systems are customized equipment to withstand mechanical shocks, have a very low electronic signature/noise generation, and are not impacted by magnetic fields..

End-user organizations float tenders for procurement, and invitations to participate are sent only to prequalified vendors/ suppliers. The highly regulated manufacturing process includes rigorous inspection and type testing procedures by the Directorate of Quality Assurance.

Top vendors include Concord Enviro, Techno Process Equipment, Tas Engineering, SLCE and Tecnicomar. Concord Enviro is a leading supplier with service base in Gujarat, Kerala, Vizag, Chennai, Port Blair and Andaman.

Opportunity outlook in the offshore desalination market

Offshore desalination is a niche market. Investments by end-users in new builds and retrofits, particularly in the defense/navy, indicate opportunities in the long-term. The Make in India initiative and compliance with manufacturing regulations act as entry barriers.

Indicative List of Defense/Government Investments, India

Entity	Project Name	Cost (₹ Million)	Project Status	Project Type
Goa Shipyard Ltd.	Goa Shipyard Two Warships Construction Project	142,500	Under Implementation	New Unit
Government of Andhra Pradesh	Visakhapatnam Shipbuilding Facility Project	8,000	Announced	New Unit
Ministry Of Defense	Defense Submarine Manufacturing Project (under P-75I plan-Diesel Electric Submarines)	430,000	Announced	New Unit
Ministry Of Defense	Kochi Eight Anti-Submarine Warfare Shallow Water Crafts Construction Project	63,113	Under Implementation	New Unit
Ministry Of Defense	Kolkata Shipyard Eight Anti-Submarine Warfare Shallow Water Crafts Construction Project	63,113	Under Implementation	New Unit
Ministry Of Defense	Landing Platform Docks (LPD) Defense Manufacturing Project	Not available	Under Implementation	New Unit
Ministry Of Defense	Mazagon Guided Missile Destroyers (Warships) Project (under P-15B plan)	225,000	Under Implementation	New Unit
Ministry Of Defense	Pipavav Defense Naval Offshore Patrol Vessels Shipbuilding Project (under P-21 plan)	Not available	Under Implementation	New Unit
Ministry Of Defense	Visakhapatnam Fleet Support Ships (FSS) Project	152,574	Under Implementation	New Unit

Source: CMIE CapEx database; F&S Report

OVERVIEW OF ENVIRONMENT, SOCIAL AND GOVERNANCE REPORTING AND INVESTING

Introduction on ESG

Environmental, social, and corporate governance (ESG) is an approach that companies undertake to be socially responsible and align their wealth and value-creation activities with the interests of the environment and the larger stakeholder group that includes workers, communities, customers and shareholders.

Key factors of ESG include the following:

- Environmental deals with aspects that enable or play a role in the conservation of land, water, air and natural resources. Examples include climate change and carbon emissions, air and water pollution, biodiversity, deforestation, energy efficiency, waste management, water scarcity, etc.
- Social deals primarily with people and professional relationships. Criteria include customer satisfaction, data protection and privacy, gender and diversity, employee engagement, community relations, human rights, labour standards, etc.
- Governance charts out the standards for running a company such as board composition, internal practices, regulatory compliance, audit committee structure, executive compensation and political contributions.

Sustainability standards published by the Global Reporting Initiative (GRI) are the most widely used ESG framework globally. Standards of the Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-related Disclosures (TFCD) also are used globally. International investors adhere to one or more of these frameworks.

ESG reporting framework in India

The Companies Act 2013 introduced the first ESG disclosure requirements for companies in India. It mandates organizations to include (i) a report on energy conservation along with their annual financial disclosures and (ii) disclosures on opportunities, threats, risks and concerns as part of their annual reports under Regulation 34(3) of the SEBI Listing Obligation and Disclosure Requirements (LODR) Regulation, 2015. To further strengthen ESG reporting, SEBI amended Regulation 34(2)(f) of the LODR Regulations to introduce the business responsibility and sustainability report (BRSR) framework in May 2021.

India introduced new ESG reporting requirements from Fiscal 2023 for the top 1,000 listed companies (by market capitalization) in the country, stipulating a BRSR containing detailed ESG disclosures.

Key ESG metrics required by BRSR in India are:

Metric	Key Performance Indicators
General	• Primary business activities including products and services • Market presence in terms of geography, locations of manufacturing plants and customer types • Export businesses and contribution to overall company revenue • Investments in technology and R&D that impact ESG performance • Trade and industry connections • Other key disclosures: • Summary of material responsible business conduct issues • ESG targets or commitments, action plan and achievements • External assessment or evaluation of ESG policies
Environmental	• Material impact analysis • Energy consumption, conservation measures taken, and output achieved • Water consumption, conservation measures adopted, and results achieved • GHG emissions - Scope 1 to 3 and initiatives deployed for emission reduction • Overview of waste management, 3Rs and wastewater management including reuse • Sustainable value chain and sourcing • Environmental impact assessments and life cycle assessments on projects, products, and services • Initiatives under extended producer responsibility (EPR) • Compliance with environmental laws and regulations • Other key disclosures: • Business continuity and disaster management plans
Social	• Median remuneration and minimum wages for employees • Employee retention rates • Unions and associations for employee welfare • Health and safety-related risk assessments and disclosures

Metric	Key Performance Indicators
	• Human rights-related activities and disclosures • Employee training programs • Details on employee benefits such as insurance and retirement settlements. • Employee grievance programs/activities and disclosures • Corporate social responsibility-related activities, initiatives, investments, beneficiaries • Data privacy issues
Governance	• Governance structure • Anti-corruption policies • Bribery-related policies • Conflict of interest and resolution practices and disclosure

Source: F&S Report

Many leading Indian companies have started to measure and report ESG targets as part of their annual reports or sustainability reports. The investor community is also influencing the ESG reporting practice by urging organizations to invest in social causes rather than only business activities that generate commercial returns.

ESG practices associated with water and wastewater stakeholders are:

- ***Water and wastewater treatment solution providers:*** The solution providers focus on reducing energy consumption of their products & systems and improving water recovery rates through wastewater recycling.
- ***End-users:*** End-user industries focus on water conservation through rainwater harvesting, process improvements to reduce water consumption per unit of output produced, reducing fresh water consumption, reusing/ recycling wastewater and ZLD. In Fiscal 2021, Concord Enviro was the largest ZLD solutions provider in India in revenue terms. Through its recycling solutions, Concord Enviro has been supporting its clients to achieve water conservation and sustainability.

Industrial Wastewater Recycling: Leading Companies' Financial Metrics, FY2021

Metric	Ion Exchange	Concord Enviro	Arvind Envisol	Suez	Thermax
Overall Revenue (₹ Billion)	15	3	2	5	49
Export as a Percentage of Overall Revenue	42%	36%	0%	0%	35%
Revenue from Recycling Business (₹ Billion)	3	3	1	1	1
Gross Margins	26%	49%	27%	17%	31%
EBITDA	14%	14%	4%	6%	6%
Profit after tax	10%	6%	2%	3%	4%
Return on capital employed	46%	12%	6%	20%	10%
Return on equity	28%	7%	5%	8%	6%
Working Capital Days	74	204	169	114	106

*Note: Gross margin = (Revenue from operations - Cost of goods sold) / Revenue from operations; EBITDA = (Profit after tax + Tax expenses + Finance cost + Depreciation and amortisation – Other income)/ Revenue from operations; Profit after tax (PAT) = Net income/ Revenue; Return on capital employed (ROCE) = Earnings before interest and taxes / Capital employed. Capital employed = Shareholder's funds + Total debt – Cash & cash equivalents; Return on equity (ROE) = Net income or PAT/ Shareholder funds; Working capital days = (Current assets – Current liabilities) *365/ Revenue*
Source: Annual Reports, Investor Presentations; F&S Report

ZLD Solutions: Key Financial Metrics, Fiscal 2021

Company	Revenue from Industrial Recycling Solutions (₹ Billion)	CAPEX ZLD Revenue from Industrial Recycling Solutions (₹ Billion)	CAPEX Benchmark for ZLD Systems (₹ per m^3)	Wastewater Recycled (m^3)
Ion Exchange	3.1	0.76	150,000	5,063
Concord Enviro	3.0	1.68	150,000	11,200
Arvind Envisol	1.2	0.34	150,000	2,240
Suez	0.8	0.16	150,000	960
Thermax	0.7	0.14	150,000	840

Methodology employed:
- *Step 1: Estimate the total revenue for each company from ZLD system sales considering CAPEX sales only. O&M revenues are excluded. The source of information to estimate ZLD CAPEX revenue is primary discussion with stakeholders.*
- *Step2: Benchmarks of ZLD system unit costs were sourced from industry experts.*

- *Step 3: By applying the industry CAPEX benchmarks on the ZLD CAPEX revenue, Frost & Sullivan estimated the indicative total wastewater treated and recycled by each company.*

Source: Frost & Sullivan Analysis; F&S Report

ESG investing in India

The ESG investment strategy channels investments to companies that meet stringent ESG standards. According to the F&S Report, ESG investing is at a nascent stage in India. Major ESG funds in India include:

- Aditya Birla Sun Life ESG Fund;
- Axis ESG Fund;
- ICICI Prudential ESG Fund;
- Kotak ESG Opportunities Fund;
- Mirae Asset ESG Sector Leaders ETF;
- Quantum India ESG Equity Fund; and
- SBI Magnum Equity ESG Fund.

OUR BUSINESS

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. You should read the section titled "Forward-Looking Statements" on page 17 of this Draft Red Herring Prospectus for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 26, 118 and 297, respectively of this Draft Red Herring Prospectus for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of our Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan and commissioned and paid for by our Company in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant year. The F&S Report is available on the website of our Company at www.concordenviro.in/ipo. Also see, "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation – Industry and Market Data" on page 14.

Unless the context otherwise requires, references in this section to "our Company", "we", "us", or "our" are to Concord Enviro Systems Limited and its subsidiaries and joint ventures on a consolidated basis.

Our financial or fiscal year ends on March 31 of each calendar year. Accordingly, references to a "Fiscal" or "fiscal year" are to the 12-month period ended March 31 of the relevant year. The financial information included in this section for or the nine month period ended December 31, 2021 and for Fiscal 2021, Fiscal 2020 and Fiscal 2019 has been extracted from our Restated Financial Statements beginning on page 215.

Overview

We are an integrated solutions provider of industrial wastewater reuse and zero liquid discharge ("**ZLD**") solutions, with an inhouse position across the value chain including design, component manufacturing, installation and commissioning and operation and maintenance ("**O&M**") including digitalization solutions including Internet of Things ("**IoT**") technology for analysis of customer data. According to Frost & Sullivan, we were the second largest Indian solutions provider in Fiscal 2021 for industrial water recycle and reuse systems in terms of revenue. *(Source: F&S Report, June 2022).* Further, in Fiscal 2021 we were the largest ZLD solutions provider in India in revenue terms, and through our recycling solutions have been supporting our clients to achieve water conservation and achieve sustainability. *(Source: F&S Report, June 2022).* In the nine month period ended December 31, 2021 and Fiscal 2021, we serviced over 356 domestic customers and 27 international customers across a diverse set of industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles.

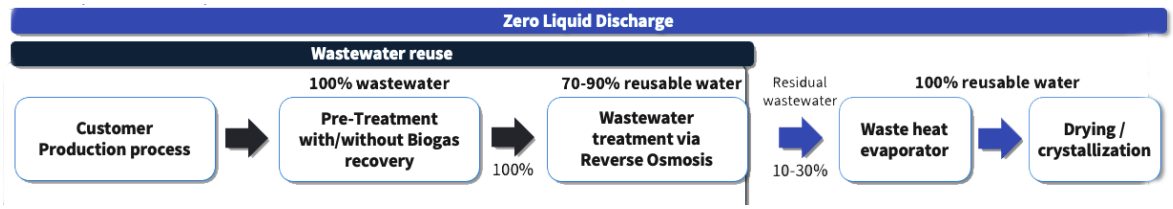
We provide our solutions to customers on a turnkey basis or on rental basis under our "pay per use/pay as you treat" model so that customers are able to avoid large capital expenditures. Our integrated solutions incorporate our own custom designs of systems and plants including effluent treatment plants, membrane-based systems including ultra-filtration, nano-filtration, reverse osmosis and waste heat evaporators ("**WHE**"). In addition, we offer our customers a comprehensive suite of O&M services including spare parts. We also have implemented digitalization solutions (including IoT) to provide data capture and analysis platforms that enable real-time monitoring, troubleshooting and preventative maintenance of our installed systems and plants.

We develop our solutions through our inhouse R&D team, which designs industry-specific membranes for our systems and develops new technology and processes. As of March 31, 2022, we had been awarded three patents in India and had filed three additional patent applications. We have two manufacturing facilities, one located at Vasai in Maharashtra, India, and the other at Sharjah in the UAE.

Our business comprises:

- the manufacture and sale or lease of systems and plants;
- O&M services;
- the manufacture and sale of consumables and spare parts (including membranes, chemicals and consumables); and
- the manufacture and sale of modules.

We design custom solutions and manufacture systems for industrial wastewater treatment and reuse and seawater desalination. Our solutions include treatment of wastewater using membrane-based systems, ZLD using WHEs and dryers and desalination of seawater. We operate in all steps of the ZLD value chain as shown in the diagram below.



Our ZLD solution using our ultra-high pressure reverse osmosis ("**UHPRO**") systems and advanced waste heat evaporation systems reduce total energy demand for ZLD . Our waste heat evaporation plants use thermal energy from waste heat such as engine cooling heat/exhaust heat as a means to extract clean water from highly concentrated waste waters and reverse osmosis plant rejects. WHE technology consumes less energy. *(Source: F&S Report, June 2022).* According to Frost & Sullivan, WHE technology offers lower O&M costs. *(Source: F&S Report, June 2022).* In addition, our inhouse R&D team designed ultra-high pressure modules. According to Frost & Sullivan, we were the first company to introduce UHPRO membranes in India, which have the capability of high recovery rates. *(Source: F&S Report, June 2022).*

We manufacture our own modules inhouse which are used in our systems and plants for our customers. In addition, we sell these specialized modules across markets including sales to other solution providers and system integrators. Our modules offering allows us easy access to markets through distributors and system integrators which would otherwise have a higher gestation period and involve significant investment in market development.

We offer our customers an all-in-one O&M contract which includes operations, maintenance and the supply of consumables and spares. Our O&M contracts are typically for a term of one to three years. As of December 31, 2021, March 31, 2021 and March 31, 2020, we had O&M contracts with 148, 150 and 143 customers, respectively, and we estimate that approximately 60% of our customers that purchase or lease our systems and plants enter O&M contracts with us.

We have a diversified customer base across industry sectors and geographies. In the nine month period ended December 31, 2021 and in Fiscal 2021, we exported our products and delivered our services to over 18 countries in Asia, North Africa, Latin America and Europe. Two of our major international customers are East Africa Breweries (a subsidiary of Diageo Great Britain Ltd) and AB Mauri. We have a history of high customer retention and derive a significant proportion of our revenue from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements. In the nine month period ended December 31, 2021, our top ten customers accounted for 38.60% of consolidated revenue from operations, and we enjoy relationships in excess of three years with 10 of our top ten customers.

We develop solutions to address industry specific challenges and requirements using our R&D capabilities. We are engaged in R&D activities to develop new membranes for use in particular industries, improved module design and new technology and systems. As of December 31, 2021, our R&D team included 23 employees. Our R&D has played a key role in the expansion of our membrane portfolio, and we have developed five membranes that we have commercialized. Our R&D team has also developed improved module designs, especially for high concentration applications where due to presence of higher suspended solids and colloidal particle formation, greater flow channels are required. We also have recently utilized our R&D capabilities to develop a ZLD process using renewable energy.

As at December 31, 2021, our Order Book was ₹1,399.03 million (including advance purchase orders), of which 42.32% comprises system and plant orders and 57.68% comprises after-sales revenue (including consumables and spares orders and O&M services orders); and as at April 30, 2022, our Order Book was ₹1,723.51 million (including advance purchase orders), of which 46.24% comprises system and plant orders and 53.76% comprises after-sales revenue (including consumables and spares orders and O&M services orders). Our "Order Book" comprises anticipated revenue from the unexecuted portions of existing contracts and purchase orders (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract. For more information, see "Our Order Book" on page 166.

Key Performance Indicators and Financial Information

Set forth below is certain key performance indicators and financial information of our business.

(*in* ₹ millions, *except percentages and ratios*)

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Revenue from operations				
Systems and plants	860.93	1,930.11	2,284.63	1,484.05
After-sales [(1)]	1,332.82	1,545.91	1,547.50	1,492.70

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Total revenue from operations	2,193.75	3,476.02	3,832.13	2,976.75
EBITDA [(2)]	335.06	620.73	735.21	705.50
EBITDA Margin [(3)]	15.27%	17.86%	19.19%	23.70%

(1) After-sales includes revenue from consumables and spares and O&M services.

(2) EBITDA is calculated as the sum of (i) profit for the period/year, (ii) tax expenses, (iii) depreciation and amortization expenses, and (iv) finance costs, less other income.

(3) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

Set forth below are certain proforma key performance indicators and financial information of our business.

(*in* ₹ millions, *except percentages and ratios*)

Particulars	Nine month period ended December 31, 2021	Fiscal 2021	Fiscal 2020	Fiscal 2019
Proforma Profit After Tax (1)	30.26*	198.12	305.84	282.83
Proforma PAT margin (2)	1.38%*	5.70%	7.98%	9.48%
Proforma ROCE (3)	4.83%*	12.93%	19.76%	11.33%
Proforma ROE (4)	1.19%*	7.95%	13.20%	14.58%
Proforma Net Debt/EBITDA (5)	3.02*	1.40	1.33	0.91

** Not Annualized*

(1) Proforma Profit After Tax is calculated as restated profit for the period/year plus interest on unwinding of present value of redemption amount in respect of financial instrument classified as financial liability.

(2) Proforma PAT Margin is calculated as Proforma Profit After Tax divided by revenue from operations.

(3) Proforma ROCE is calculated as EBIT divided by Proforma Capital Employed. Proforma Capital Employed is calculated as total assets less current liabilities (excluding financial instrument classified as financial liability) as at the end of the period/year.

(4) Proforma ROE is calculated as (i) restated profit for the period/year plus interest on unwinding of present value of redemption amount in respect of financial instrument classified as financial liability, divided by (ii) total equity plus reclassified from financial liability.

(5) Proforma Net Debt/EBITDA is calculated as (i) Proforma Net Debt divided by (ii) EBITDA. Proforma Net Debt is calculated as Total Borrowings excluding financial instruments classified as financial liability less cash and cash equivalents and bank balances as at the end of the period/year.

For information about Non-GAAP financial measures as set forth in the table above and elsewhere in this section entitled "*Our Business*", see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators and Non-GAAP Financial Measures*" on page 321 and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Summary of Proforma Key Performance Indicators and Non-GAAP Financial Measures" on page 326.

Competitive Strengths

We have the following competitive strengths:

Poised to capitalise on opportunities in wastewater reuse and zero liquid discharge

We are an integrated solutions provider of industrial wastewater reuse and zero liquid discharge solutions, with an inhouse position across the value chain including design, component manufacturing, installation and commissioning, O&M including digitalization solutions including IoT technology for analysis of customer data. According to Frost & Sullivan, we were the second largest Indian solutions provider in Fiscal 2021 for industrial water recycle and reuse systems in terms of revenue. *(Source: F&S Report, June 2022).* Further, in Fiscal 2021 we were the largest ZLD solutions provider in India in revenue terms, and through our recycling solutions have been supporting our clients to achieve water conservation and achieve sustainability. *(Source: F&S Report, June 2022).* In addition, we are the only local Indian manufacturer of offshore desalination systems and have more than twenty years of experience in this market. *(Source: F&S Report, June 2022).*

As an integrated water treatment system and plant provider with its own manufacturing facilities and O&M services offering, we are well positioned to capitalise on opportunities in water reuse and zero liquid discharge markets in India. The wastewater recycling and reuse market in India is in the growth stage, according to Frost & Sullivan, and is driven by regulations associated with wastewater disposal. *(Source: F&S Report, June 2022).* The high cost of recycling and reuse systems, which has been a major factor limiting growth, is being outweighed by the high cost of wastewater disposal and penalties associated with non-compliance. *(Source: F&S Report, June 2022).* Other factors that are driving the growth are

- Increasing water scarcity;
- Technological improvements in water recovery using recycle and reuse systems;
- Water from conventional sources is becoming more expensive than recycled water;

- A growing tendency among foreign companies to only import industrial products that follow sustainable production processes; and

- Awareness for environmental problems and initiatives towards sustainability development goals. *(Source: F&S Report, June 2022).*

Based on the above factors, Frost & Sullivan estimates that the recycling and reuse solutions market is forecast to grow by a CAGR of 13.5% from ₹15.4 billion in Fiscal 2021 to ₹54.5 billion in Fiscal 2031. *(Source: F&S Report, June 2022).*

The key drivers for our products and services are (i) creating an alternative source of water from wastewater or sea water, (ii) reduction of water pollution caused by industrial effluents, (iii) achieving ZLD for highly polluting/hazardous wastes, (iv) ensuring energy efficient wastewater reuse through ultra-high pressure membrane systems and waste heat evaporators and (v) compliance with 2030 sustainability development goals ("**SDG 2030**") and international best practices on water consumption.

It is our intention to continue to be an integral part of India's journey toward reducing environmental impact from industrial water pollution and achieving sustainability across key industry segments by creating an alternate source of water.

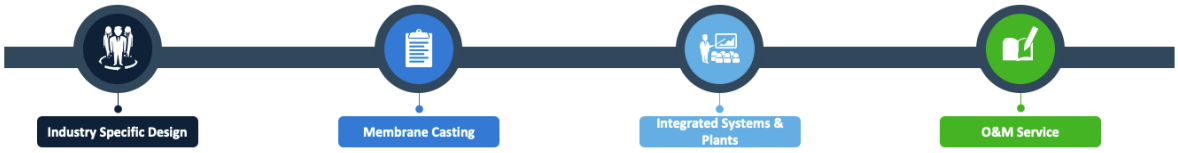
Our zero liquid discharge solution using our UHPRO systems and advanced WHE systems reduce total energy demand for ZLD by approximately 50.00%. We developed this technology inhouse, and, according to Frost & Sullivan, we were the first company to introduce UHPRO membranes enabling high recovery rates in India. (Source: F&S Report, June 2022). WHE technology consumes less energy. *(Source: F&S Report, June 2022).* According to Frost & Sullivan, WHE technology offers lower O&M costs. *(Source: F&S Report, June 2022).*

Integrated solutions provider supported by backward integrated manufacturing facilities

We are an integrated wastewater reuse solutions provider. We design, manufacture, install, operate and maintain industrial wastewater reuse and zero liquid discharge solutions. Our integrated solutions incorporate our own industry specific designs and include our inhouse manufactured membranes and systems and plants (including effluent treatment plants, membrane systems and waste heat evaporators). We are an end-to-end solutions provider for the entire wastewater treatment needs of our customers across a diverse set of industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles. We also provide comprehensive operation and maintenance services to our customers.

Our product and technology portfolio across the entire value chain provides our customers with lower costs of ownership during the product life cycle in comparison to the conventional sum of parts type of approach to building an industrial wastewater reuse and ZLD application with products and equipment combined from different manufacturers.

Our integrated solutions offering is attributable to the following:



Design. We have experience of over 25 years designing systems and plants for our customers based on data collection from our installed base and the extensive R&D conducted at our facilities and at our customer sites using our pilot systems. We customize and optimize our solutions for each customer. We develop sustainable solutions by conducting pilot trials at customer sites to optimize the design for validation and high success rate.

Membranes & Modules. In water treatment, membranes are barriers that allow water to pass through but stop unwanted substances from passing through with it. We have our in-house membrane and module manufacturing capabilities. Our R&D has played a key role in the expansion of our membrane portfolio, and we have developed five membranes that we have commercialized. Our membrane portfolio includes three energy efficient and high concentration membranes with wide applications in nano-filtration. Our inhouse membrane manufacturing capabilities allows us to reduce our costs through backward integration, but also to develop and manufacture specific membranes that fit the needs of particular industries. Our module designs are based on plate and frame and open channel filtration and provide unique benefits like higher concentration and higher input suspended solids, turbidity, chemical oxygen demand and biological oxygen demand for industrial wastewater reuse as compared to conventional membranes. We manufacture several designs of modules to be used in our systems and plants and also for direct third-party sales through other solution providers and system integrators. Our modules consist of submerged ultra-filtration, reverse osmosis modules for high pressure and ultra-high pressure designs that operate up to 220 bar operating pressures.

Systems and Plants. Our system and plant offerings include effluent treatment plants, membrane-based systems and waste heat evaporators that are based on own technology and manufactured at our two facilities at Vasai, Maharashtra, India and Sharjah, UAE. We ship our completed systems on skids or in containerized form to our customers for final integration at the site by our technicians.

We have also implemented an Internet of Things (IoT) enabled data capture and analysis platform that enables real-time monitoring, troubleshooting and preventative maintenance of our systems and plants installed across the world. For example, we are able to remotely start and stop our systems and remotely clean our systems without an operator present.

Operations & Maintenance. We offer our customers an all-in-one O&M contract which includes operations, maintenance and the supply of consumables and spares providing continuous revenue. Our O&M contracts are typically for a term of one to three years. As of December 31, 2021 March 2021 and 2020, we had O&M contracts with 148, 150 and 143 customers, respectively. In Fiscal 2022, we provided O&M services to approximately 60% of our client base, developing long-term relationships and creating value for customers. .

Our plant supervisor ensures the system and plant operates to the customer's requirements. Our centralized purchase, stores and logistics team ensure that all materials required for day-to-day operation are available including consumables and spares. We also offer technical support to our customers through service engineers that are supported by area engineers located in each region across India.

Consumables, spares and services: Customers that operate systems and plants on their own also purchase membranes, spares and consumables from us. We have a team of engineers across geographies that provide support to these customers as required.

Pay per use/pay as you treat: We provide our solutions as a service to customers under our "pay per use/pay as you treat" where we offer our systems and plants on a rental basis so that customers are able to avoid large capital expenditures. These services are provided in cooperation with our Joint Venture, Roserve Enviro Private Limited ("**Roserve**"). Under this model, we install tailored wastewater reuse solutions and then operate and maintain the systems and plant including spare parts. Customers contract with us to treat and recycle their wastewater on the payment of a fixed fee and variable fee linked to the quantity of water recycled for them.

Diversified customer base across industry sectors and geographies

We have a diversified customer base across industry sectors and geographies. In the nine month period ended December 31, 2021 and in Fiscal 2021, we had 356 domestic customers and 27 international customers. We provide our wastewater treatment products and services to industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles industries, amongst others.

We also have built a strong international customer base. We use our operations in the U.A.E. to spearhead our international business. In the nine month period ended December 31, 2021 and in Fiscal 2021, we exported our products and delivered our services to over 18 countries in Asia, North Africa, Latin America and Europe. Two of our major international customers are East Africa Breweries (a subsidiary of Diageo Great Britain Ltd) and AB Mauri. During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue outside India, as a percentage of our revenue from operations were 20.56%, 25.52%, 34.62% and 14.59% respectively.

The table set forth below provides customer industry split of our consolidated revenue from operations and as a percentage of consolidated revenue from operations in the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Customer Industry	**Nine month period ended December 31, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	₹ million	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**	**₹ million**	**% of revenue from operations**
Pharmaceutical	545.96	24.89%	900.58	25.91%	853.67	22.27%	663.75	22.29%
Chemicals	407.15	18.56%	575.69	16.56%	479.23	12.51%	423.96	14.24%
Food & Beverage	326.09	14.86%	410.40	11.81%	838.29	21.88%	324.10	10.89%
Leachate	161.82	7.38%	358.97	10.33%	303.34	7.92%	251.83	8.46%
Textiles	64.96	2.96%	141.53	4.07%	210.15	5.48%	202.08	6.79%
Defense	123.52	5.63%	139.65	4.02%	142.80	3.73%	176.46	5.93%
Other (1)	564.25	25.72%	949.20	27.30%	1,004.66	26.21%	934.57	31.40%
Revenue from Operations	**2,193.75**	**100.00%**	**3,476.02**	**100.00%**	**3,832.13**	**100.00%**	**2,976.75**	**100.00%**

(1) Other includes agrochemicals and fertilizers, oil & gas, tannery, power and steel industries.

We have a history of high customer retention and derive a significant proportion of our revenue from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements, our focus on high quality products, our focus on leading edge technology and customer satisfaction. In addition, we enjoy relationships in excess of 3 years with all of our top ten customers.

Our O&M contracts are typically for a term of one to three years. As of December 31, 2021, we had O&M contracts with 148 customers. In Fiscal 2022 we estimate that approximately 60% of our customers that purchase or lease our systems and plants enter O&M contracts with us.

In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top ten customers accounted for 38.60%, 33.27%, 41.99% and 37.93%, respectively, of consolidated revenue from operations; and our top twenty customers accounted for 53.66%, 47.00%, 58.30% and 55.23%, respectively, of consolidated revenue from operations. Our long-term relationships and ongoing active engagements with customers also allow us to plan our capital expenditure, enhance our ability to benefit from increasing economies of scale with stronger purchasing power for raw materials and a lower cost base. These enduring customer relationships also have helped us expand our product offerings and geographic reach. For further information, see "*Risk Factors - We are dependent on and derive a substantial portion of our revenue from a limited number of customers. Cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition. We also have Government Customers which exposes us to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition*" on page 31.

Strong focus on innovation supported by R&D and design capabilities

We develop solutions to address industry specific challenges and requirements using our R&D capabilities. We are engaged in R&D activities to develop new membranes for use in particular industries, improved module design and new technology and systems. As of December 31, 2021, our R&D team included 22 employees. As of March 31, 2022, we had been awarded three patents in India and had filed three additional patent applications.

Our R&D provides us with a competitive advantage by addressing trends in environmental compliance and sustainability and industry developments. Our R&D has and will continue to assist us in developing newer technologies, plants and systems as well as manufacturing processes that will help reduce the cost of production, simplify manufacturing processes to improve safety, reduce environmental load and provide us with other growth opportunities. In particular, we are engaged in R&D activities to develop new membranes for use in particular industries, improved module design and new technology and systems.

Our R&D has played a key role in the expansion of our membrane portfolio. Our inhouse R&D team has developed five membranes that we have commercialized. Our R&D team has also developed improved module designs, especially for high concentration applications where due to presence of higher suspended solids and colloidal particle formation, greater flow channels are required. For example, we were successful in designing and commissioning a high concentration membrane with a high-pressure module design for a membrane system of one of our distillery customers. We utilized theoretical modeling and then we used computer aided design (CAD) for validation. We then tested these designs inhouse and in the field and necessary modifications were made. Our design was then put to production, and as of December 31, 2021, we had sold over 2,000 new modules for commercial use.

Our R&D driven plate and frame designs gives us the ability to provide wastewater reuse solutions with membranes for highly contaminated wastewater without extensive, multistage pre-treatment steps yielding a simplified solution at a lower operating expense.

Healthy financial performance to support growth

We have built our business organically and have demonstrated consistent growth in terms of revenue and profitability in spite of COVID-19 related business challenges during last two fiscal years. Our consolidated revenue from operations have increased at a CAGR of 8.06% from ₹2,976.75 million in Fiscal 2019 to ₹3,476.02 million in Fiscal 2021. Our consolidated revenue from operations were ₹2,193.75 million in the nine month period ended December 31, 2021. Our consolidated revenue outside India has grown at CAGR of 42.90% from ₹434.41 million in Fiscal 2019 to ₹887.13 million in Fiscal 2021. Our consolidated revenue outside India were ₹451.09 million in the nine month period ended December 31, 2021. In addition, we have demonstrated our working capital management with a receivable cycle of 135 days, 160 days, 141 days and 156 days, respectively, in the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our EBITDA on a consolidated basis was ₹335.06 million, ₹620.73 million, ₹735.21 million and ₹705.50 million, respectively, while our EBIDTA Margins on a consolidated basis in the same periods were 15.27%, 17.86%, 19.19%, and 23.70%, respectively.

In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our proforma profit after tax was ₹30.26 million, ₹198.12 million, ₹305.84 million and ₹283.83 million, respectively, and our proforma after tax margin was 1.38% (not annualized), 5.70%, 7.98% and 9.48%, respectively.

In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our proforma ROCE was 4.83% (not annualized), 12.93%, 19.76%, and 11.33%, respectively; our proforma ROE was 1.19% (not annualized), 7.95%, 13.20%, and 14.58%, respectively; and our proforma net debt/EBITDA ratio was 3.02 (not annualized), 1.40, 1.33 and 0.91, respectively.

Experienced Promoters and Management Team

We are led by a qualified and experienced management team that has the expertise and vision to manage and grow our business and promote our sustainability goals. Our promoter, Mr. Prayas Goel, is our Chairman and has been our Managing Director since fiscal 2009. The business was started by Mr. Kamlesh Kumar Goel (father of the Promoters) in 1991. Mr. Prayas Goel oversees our business with a focus on corporate strategy, product development, equipment and process standardization, strategic vendor management and domestic sales function. Our Promoter, Mr. Prerak Goel, has been an executive director of our Company since 2003 and heads our finance, sales and human resources functions. We run our business professionally with dedicated senior and mid-level management teams. Our management team support has vast experience in project execution, industrial sales and marketing. The knowledge and experience of our Promoters, along with our management, and our team of dedicated personnel, provide us with a significant competitive advantage as we seek to grow our existing markets and enter new geographic markets.

Our Strategies

We have adopted the following key business strategies:

Add new capacity for membrane and membrane module manufacturing

The global water and wastewater treatment solutions market is valued at US$760 billion in CY2021, and the global market is expected to grow at a CAGR of 4.7% from CY2022 to reach US$1,057 billion in CY2027. *(Source: F&S Report, June 2022).* In order to meet this expected growth in demand for our systems and plants, we are expanding our capacity for membrane and membrane module assembly by building a new assembly unit near our existing facility in Sharjah. The Project Land was leased by our Subsidiary, CEF from Sharjah Airport International Free Zone, Government of Sharjah pursuant to a tenancy contract dated June 16, 2022. The new assembly unit will produce both current and new design membrane module products and will help us expand our capacity for membrane and membrane module manufacturing in order to cater to our international markets. The product-wise capacity for the Proposed facility is as under:

Type of product	Capacity
Membrane Elements	2,000 nos. per month
WHE Modules	50,000 sq. mtrs. per year
Containerised Plants	36 Units per year

The construction of the Assembly Unit is scheduled to be completed within a period of 12-16 months and is expected to commence commercial operations by July, 2023. The total estimated cost for setting up of the new assembly unit is ₹180.00 million. For further information, see "Objects of the Offer" beginning on page 88.

Use IoT to drive growth

The adoption of IoT in India in the water and wastewater sector is currently low and has high potential for growth, according to Frost & Sullivan. *(Source: F&S Report, June 2022).* IoT Solutions offer effective solutions to monitor water resources and water assets, which would enable optimum water management methods among municipal and industrial segments. *(Source: F&S Report, June 2022).* According to Frost & Sullivan, another factor driving the adoption of IoT in India is sustainability development goals and environmental, social and governance (ESG) practices adopted by major companies across industries. *(Source: F&S Report, June 2022).*

We have developed an IoT based system and software that captures information from our systems and plants that we install at customer sites. Our IoT system is designed to collect and organize operating data so that plant performance may be reviewed and analyzed. This data helps our customers undertake corrective actions, preventive maintenance and improve efficiency. It also allows services personnel to understand plant trends such as feed flow, turbidity, conductivity and recovery of water. In phase one, we are deploying our IoT system for systems and plants that we operate. In phase two, we look to deploy this information management system on a Software as a Service (SAAS) model.

We are expanding this IoT system to implement a complete water and wastewater management system with particular focus on the operation of the wastewater treatment and reuse systems for clients. The software aims to provide the client a complete

synopsis of his water usage and wastewater generation, both qualitatively and quantitatively. The data generated will bring efficiencies in water usage and enable our clients to meet their sustainable manufacturing goals. The data around water recycle can be used for measuring the achievement of their sustainability goals.

Expand into new industrial sectors for wastewater reuse and zero liquid discharge

We aim to grow our industrial wastewater reuse business by adding new sectors with high water consumption such as paper mills, common effluent treatment plants ("**CETPs**"), power plants and treated sewage plants. We have already successfully installed systems and plants at a few such customer sites including a paper mill in north India and a CETP in south India. These installations serve as references for further expansion into these sectors. We have through our R&D efforts designed and manufactured low pressure, low rejection membranes for lean wastewater applications. These low pressure, low rejection membranes enable us to offer a compelling value proposition for customers in sectors such as paper, CETP and treated sewage.

In addition, we plan to increase the penetration of our zero liquid discharge solutions across sectors and regions. Our ZLD solution using our UHPRO systems and advanced WHE systems reduce total energy demand compared to traditional evaporation systems and consequently the capital expenditure and operating expenses associate with ZLD. We are currently marketing these solutions to our existing customers to enable them reduce cost of ZLD and at the same time pitching to clients who are implementing ZLD to enable them take advantage of our green ZLD solutions. We will focus on sectors such as pharmaceuticals, chemicals, distilleries, automotive and ancillaries, food and beverages where we already have a large installed base of systems and plants and a strong project track record.

Further, we aim to target our system and plant offering and our marketing efforts to industries in coastal regions that are facing water shortage. We aim to market our wastewater and ZLD solution to these coastal customers as an alternative to coastal wastewater discharge. Further, we see demand for desalination along coastal areas to provide fresh water for industrial purposes as another potential growth area for our Company. In coastal areas like Dahej where companies are facing freshwater shortages, we are working with our clients to provide recycling and sea water desalination solutions to meet their water needs.

Expand across geographies

We plan to continue our geographic expansion and market our systems and plants as well as our O&M services to new international markets. In particular, we intend to focus our expansion on Latin America, Africa, Europe and Asia. We intend to achieve this expansion by having dedicated sales and marketing teams whose primary focus will be on business development in international markets, particularly, in our focus geographies. We will also look for new partners in our focus markets to establish a local presence and in certain markets we may establish subsidiaries or local offices. Further, we will also leverage our international installations for marquee customers to showcase the quality of our product offering and our ability to provide our O&M services globally.

We are working towards expanding our footprint globally, with focused efforts in different markets. Across Africa and Latin America, we are working with the distillery, yeast and brewery industries to reduce their water requirement through wastewater reuse and ZLD solutions. We are offering our minimum liquid discharge ("**MLD**") and ZLD solutions for landfill leachate in North Africa, Eastern Europe. In Bangladesh, we are offering the pharmaceutical and textile industries with wastewater and ZLD solutions. In the Middle-East, we are offering our industrial wastewater reuse and MLD solutions for treated sewage recycling to reduce costs of external disposal.

We aim to expand our market penetration across geographies by

- becoming an approved service provider to large multi-national corporations for wastewater reuse related services;
- working with reputed consulting firms in individual countries to showcasing our solutions to their clients; and
- engaging third party local distributors who maybe engaged with target industries in related water and wastewater fields such as chemicals.

Continue to grow our module sale business

We sell specialized modules in developed markets like Europe. Our modules offering allows us easy access to markets through distributors and system integrators which would otherwise have a higher gestation period and involve significant investment in market development. In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenue from module sales, as a percentage of our consolidated revenue from operations was 6.85%, 8.18%, 5.99% and 6.52%, respectively.

We currently sell most of our modules through non-exclusive arrangements with strategic partners in overseas markets. We intend to expand our sales of modules by entering similar arrangement with other strategic partners. We sell reverse osmosis

modules in these markets and intend to expand our product offerings to UHPRO and WHE modules. We are currently in preliminary discussions to sell our modules in Brazil.

Cross sell new products to existing customers

We aim to cross sell our new products like waste heat evaporators, ultra-high pressure reverse osmosis systems and our IoT management systems to our existing customers most of whom have a confirmed their need either as a capacity enhancement or replacement of existing equipment. We have a history of high customer retention from our customers and derive a significant proportion of our revenue from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements.

Our waste heat evaporator plants are modular treatment systems that use thermal energy to extract clean water from highly concentrated waste. Our waste heat evaporators offer unique product advantages including

- lower replacement costs due to their corrosion resistant design,
- lower total energy consumption,
- ease of maintenance as the system is skid mounted at ground level, and
- compact and modular.

We will also focus marketing efforts to help our clients reduce their cost of operations from current thermal evaporators through implementation of our ultra-high pressure reverse osmosis systems. Our zero liquid discharge solution using our UHPRO systems and advanced WHE systems reduce total energy demand for ZLD by approximately 50.00%. We developed this technology inhouse, and, according to Frost & Sullivan, we were the first company to introduce UHPRO membranes enabling high recovery rates in India. *(Source: F&S Report, June 2022).* In addition, to cross selling our UHPRO system to our existing customers, we intend to also market this system to companies using other water reuse systems in areas such as Gujarat and Tamil Nadu where the installed based of water reuse systems is significant.

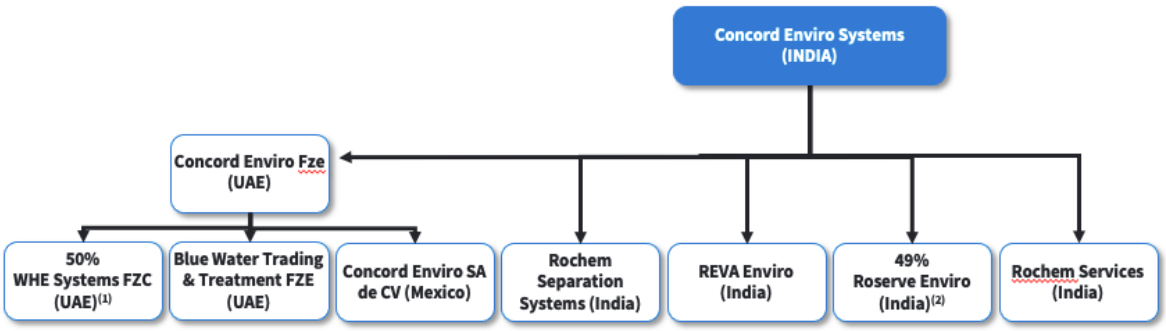
Grow our "pay per use/pay as you treat" business model

According to the F&S Report, the demand for water and wastewater treatment solutions in APAC is mainly driven by rapid urbanization in developing Asian economies including China, India, Vietnam and Indonesia. *(Source: F&S Report, June 2022).*Other factors that are contributing to the growth of the market are improving standards of living, water scarcity, and emergence of more stringent water related laws and regulations, particularly for effluent discharge. *(Source: F&S Report, June 2022).* To capitalize on this demand, we provide our solutions as a service to customers under our "pay per use/pay as you treat" where we offer our systems and plants on a rental basis so that customers are able to avoid large capital expenditures. Under this model, we install tailored wastewater reuse solutions and then operate and maintain the systems and plants including spare parts. Our customers contract with us to treat and recycle their wastewater for the payment of a monthly fee linked to the quantity of water that we recycle for them. These services are provided in cooperation with our Joint Venture, Roserve Enviro Private Limited. Our "pay per use/pay as you treat" model enables customers to meet the requirements of additional water reuse requirements arising from

- peak in production due to market demand;
- low seasonal freshwater availability;
- climate change related sudden impacts;
- urgent compliance to regulatory changes and needs; and
- achieving savings through water reuse and energy consumption immediately.

Corporate Structure

Concord Enviro Systems Limited is our parent holding company and our business activities are carried out by our subsidiaries and joint ventures. Concord Enviro Systems Limited owns 100.00% of Rochem Separation Systems (India) Private Limited, Rochem Services Private Limited and Concord Eviro FZE. Concord Eviro FZE owns 100.00% of Blue Water Trading & Treatment FZE and Concord Enviro SA De C.V. and owns 50.00% of WHE Systems FZC (with the remaining 50% owned by Heinzl Holding UG of Germany). Concord Enviro Systems Limited also owns 48.98% of Roserve Enviro Private Limited with the remaining 48.98% owned by Danish Climate Investment Fund and 2.05% owned by others. Roserve Enviro Private Limited owns 100.00% of Roserve Enviro FZE. Our organizational chart is set forth below. For further information, see "Our Group Companies" on page 211.



Our Business

We design, manufacture, install, operate and maintain industrial wastewater treatment, wastewater reuse ZLD solutions. Our wastewater reuse solutions help industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles, amongst others, to achieve water security, reduce their water footprint, meet pollution control regulations and meet their sustainability goals by minimizing the impact of their activities on the environment. Our integrated solutions are focused on water efficiency with processes that generate the least waste and yield the highest energy savings, ultimately reducing the amount of fresh water needed by our customers.

Our business comprises:

- the manufacture and sale of systems and plants;
- O&M services;
- the manufacture and sale of consumables and spare parts (including membranes, chemicals and consumables); and
- the manufacture and sale of modules.

The table set forth below provides the split of our consolidated revenue from operations by business and as a percentage of consolidated revenue from operations in the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019

Product/Service	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Systems & plants	710.67	32.40%	1,645.67	47.34%	2,054.90	53.63%	1290.13	43.34%
Sale of modules	150.26	6.85%	284.42	8.18%	229.73	5.99%	193.92	6.51%
Sale of consumables and spare parts	715.69	32.62%	704.74	20.27%	622.71	16.25%	619.48	20.81%
O&M services	617.13	28.13%	841.19	24.21%	924.79	24.13%	873.22	29.34%
Revenue from Operations	**2,193.75**	**100%**	**3,476.02**	**100%**	**3,832.13**	**100%**	**2,976.75**	**100%**

Systems and Plants

Our systems and plants include treatment plants, membrane-based plants and waste heat evaporators. These systems are sold to customers as part of entire industrial wastewater reuse or ZLD solutions or as part of these solutions.

We provide our custom solutions to our customers on a turnkey basis or on rental basis under our "pay per use/pay as you treat" model so that customers are able to avoid large capital expenditures.

Treatment Plants

Effluent treatment plants provide biological and physio-chemical treatment of raw wastewater originating from industrial manufacturing processes and thus making it fit for discharge or for further processing including reverse osmosis, or nano-filtration.

Treatment plants use a number of processes including

- the combination of physio-chemical and biological treatments to remove contamination in wastewater;
- wastewater treatment by biological means - with anaerobic digestors and activated sludge processes;
- submerged plate and frame ultrafiltration module; and
- dissolved air flotation (DAF) System.

Advantages of Effluent Treatment Plants

The advantages provided by our effluent treatment plants include

- generation of bio-gas depending on the organic content in the wastewater; and
- reduction of chemical usage and hazardous sludge generation;

Case study

Distillery customers need the reduction of solids before further water processing. Due to high total suspended solids ("**TSS**") in the feed from distilleries, there are limitations for optimum utilization of concentration technologies. We were able to design and implement a custom multi-stage TSS reduction system that reduced the TSS concentration reducing the levels of solids to the desired level. Our solution increases membrane life and reduces operating expenses.

Reverse Osmosis Plants

Reverse osmosis plants use saline water pressure to produce clean water because unwanted solids are not able to pass through semi-permeable membranes. Reverse osmosis plants are used for sea water desalination and reuse of industrial wastewater.

Advantages of Reverse Osmosis Plants

The following table sets forth the advantages of reverse osmosis plants.

Cost efficient due to:		**Improved operations due to**	
✓	High recovery rates for low energy costs	✓	Easy access to all membranes due to openable modules
✓	No chemical operating costs	✓	High quality product water
✓	Long membrane life	✓	Fail-safe unattended operation
✓	Lower membrane replacement costs	✓	Compact and flexible modular units
		✓	Wide range of operating pressures up to 220 bar

Case study

Highly contaminated aqueous steam, such as leachate, presents a major problem for municipal solid waste landfills. We were able to utilize our advanced reverse osmosis membrane to treat leachate and produce recovery levels of approximately 75.00% for our municipal customers.

Waste Heat Evaporators

Waste heat evaporator plants are modular treatment systems using thermal energy to extract clean water from highly concentrated waste waters and reverse osmosis plant rejects.

Waste heat evaporators are a compact and efficient way for evaporating water from wastewater that contains high levels of contaminates and corrosive constituents. Waste heat evaporation utilizes differences in vapor pressure to permeate water through a hydrophobic membrane. Through this process the membrane rejects other non-volatile constituents present in the feed. We use waste heat evaporation through membrane distillation to avoid any restraints in separation of particles.

Advantages of Waste Heat Evaporators

The following table sets forth the advantages of waste heat evaporators.

Cost efficient due to:		**Improved operations due to**	
✓	Lower electrical energy consumption	✓	Separation of volatile components from the solutions
✓	Ease of maintenance as system is skid mounted at ground level (no special equipment needed)	✓	Fresh water produced from highly concentrated feeds

Cost efficient due to:		Improved operations due to	
✓	Limits scaling and corrosion issues	✓	Safe operations at low temperature
✓	Compact and modular design	✓	High quality of distillate (output)
		✓	Reduction in non-condensable species in vapor phase

Case study

In the face of increasing water scarcity, food and beverage companies are looking for a zero-liquid discharge system to recycle and conserve resources. We have been able to offer an advanced and sustainable model, using our WHE plants and other systems resulting in 99.00% overall recovery levels.

Drying and crystallization

Drying and crystallization is the final step in a zero liquid discharge process. We manufacture dryers with heat integration to provide the low energy consumption for ZLD.

Pay per use/pay as you treat

In addition to installing systems on a turnkey basis, we provide our solutions as a service to customers under our "pay per use/pay as you treat" where we offer our systems and plants on a rental basis so that customers are able to avoid large capital expenditures. Under this model, we install tailored wastewater reuse solutions and then operate and maintain the systems and plant including spare parts. Customers contract with us to treat and recycle their wastewater on the payment of a fixed fee and a variable fee linked to the quantity of water recycled for them.

Module Sales

Our module production is used in our systems and plants for our customers. In addition, we sell specialized modules across markets including sales to other solution providers and system integrators. Our modules offering allows us easy access to markets through distributors and system integrators which would otherwise have a higher gestation period and involve significant investment in market development. During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our revenue from module sales, as a percentage of our consolidated revenue from operations were 6.85%, 8.18%, 5.99% and 6.52%, respectively.

The following table described four of our module products.

Module Product	Application	Description
Disc Tube Reverse Osmosis (DTRO)	Desalination, leachate, industrial wastewater recycling	• Utilized for reverse osmosis and nano-filtration • Plate & frame open channel module • long module life • Membrane failure protection features built-in; higher quality at lower cost
Spacer Tube Reverse Osmosis (STRO)	Desalination, leachate and industrial wastewater recycling at lower concentration	• Utilized for reverse osmosis and nano-filtration • High packing density • Reduced fouling and easy cleaning • No membrane substrate discs; reduces differential pressure
Ultra-filtration	Pre-treatment of wastewater for recycling / ZLD	• Plate & frame type micro filtration and ultra-filtration module solutions • Easy construction of individual membrane cushions and easy to replace • Lower life cycle costs; modular and compact • Quick deployment
Waste Heat Evaporators	Concentration of RO rejects to achieve ZLD	• Module design that can be dismantled; thus, low-cost heat transfer surfaces and membranes can be easily replaced at fraction of the module costs • Non-membrane-type solutions can be used across the spectrum of applications without general limitations of wetting & scaling which are faced by generic membrane distillation systems

Consumables and Spare Parts Sales

We supply consumable and spare parts required for the normal operations of systems and plants that we install for our customers, which serves as a recurring revenue stream. Our spare part sales include membranes and modules and electromechanical parts as replacements as well as chemicals & consumables for system and plant operations. The table below highlights some of the spare parts that we sell on a regular basis.

Spares	Application	Frequency of replacement	Description
Membranes	All types of Plate & Frame (PF) RO units	2 years on average	• Membranes undergo significant wear and tear during wastewater reuse applications • Timely replacement needed to ensure system operating efficiency • A module would contain membranes worth c. $900 • Membranes could make up around 30% of the overall plant cost
Chemicals	Membrane cleaning and anti-scalants	Cleaning In Place (CIP) frequency varies between 1-4x CIP/month Selling close to 2.5m liters per year	• Unique formulations for effective membrane cleaning based on specific Concord membranes • Subcontractor is close to Company facility and dispatched to customer sites
Electromechanical	Spare parts for pumps, instrumentation, filters etc.	Variable	• Spare parts need replacement based on monthly/quarterly/annual maintenance plans • Complete pumps need replacement at end of 5-7 years

During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our spare part sales, as a percentage of our consolidated revenue from operations were 32.62%, 20.27%, 16.25% and 20.81%, respectively.

Operations and Maintenance (O&M)

We offer our customers an all-in-one O&M contract which includes operations, maintenance and the supply of consumables and spares. Our O&M contracts are typically for a term of one to three years. As of December 31, 2021, we had O&M contracts with 148 customers. In Fiscal 2022 we estimate that approximately 60% of our customers that purchase or lease our systems and plants enter O&M contracts with us.

Our plant supervisor ensures the system and plant operates to the customer's requirements. Our centralized technical and supply chain teams ensure that all materials required for day-to-day operation are available including consumables and spares. We also make available site engineers that are supported by area engineers who are located regionally to offer technical support. We generally bill our customers a fixed monthly fee for manpower and a fee based on the monthly volume of water recycled.

During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue from our operations and maintenance business, as a percentage of our consolidated revenue from operations were 28.13%, 24.20%, 24.13% and 29.34%, respectively.

Case Study

One of our long-standing customers has had an O&M contract with us since 2008. We have 23 of our own personnel onsite to operate their reverse osmosis plants that we installed. We also ensure periodic supply of spares for the plants.

Our Order Book

As at December 31, 2021, our Order Book was ₹1,399.03 million (including advance purchase orders), of which 42.32% comprises system and plant and module orders and 57.68% comprises after-sales revenue (including consumables and spares orders and O&M services orders); and as at April 30, 2022, our Order Book was ₹1,723.51 million (including advance purchase orders), of which 46.24% comprises system and plant orders and 53.76% comprises after-sales revenue (including consumables and spares orders and O&M services orders).

Our "Order Book" comprises anticipated revenue from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders.

The following table summarizes our Order Book as at December 31, 2021 and April 30, 2022.

Particulars	Outstanding as at December 31, 2021	Percentage of Total Order Book	Outstanding as at April 30, 2022	Percentage of Total Order Book
Type of Project or Products	**(in ₹ million)**		**(in ₹ million)**	
Systems & plants	562.39	40.20%	796.98	46.25%
Sale of modules	29.70	2.12%	0.00	0%
Sale of consumables and spare parts	54.44	3.89%	147.77	8.57%

Particulars	Outstanding as at December 31, 2021	Percentage of Total Order Book	Outstanding as at April 30, 2022	Percentage of Total Order Book
O&M services	752.50	53.79%	778.76	45.18%
Revenue from Operations	**1,399.03**	**100%**	**1,723.51**	**100%**

WHE Frames Joint Venture

Our joint venture, WHE Systems FZC, with Heinzl Holding UG, is intended to manufacture WHE frames that are integrated by our Company in its products and solutions and offered to our customers.

Our Customers

We have a diversified customer base across industry sectors and geographies. In the nine month period ended December 31, 2021 and in Fiscal 2021, we had 356 domestic customers and 27 international customers. We provide our wastewater treatment products and services are used industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles industries, amongst others.

The following table sets forth our range of solutions used in various industry industries.

Industry	Applications	Applicable solutions (1)				
		UF	RO	NF	WHE	ZLD
Pharmaceuticals	• Reuse of combined effluent	✓	✓	✓	✓	✓
Chemicals	• Reuse of spent wash & production of ethanol ; combined effluents	✓	✓	✓	✓	✓
Desalination	• Sea water distillation; offshore desalination		✓		✓	
Textile	• Effluent treatment and salt brine recovery		✓	✓	✓	✓
Food & Beverage	• Reuse of combined effluents	✓	✓	✓	✓	✓
Defense	• Mobile water purification	✓	✓			

(1) UF is ultra-filtration, RO is reverse osmosis, NF is nano-filtration, WHE is waste heat evaporation and ZLD is zero liquid discharge.

The table set forth below provides customer industry split of our consolidated revenue from operations and as a percentage of consolidated revenue from operations in the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Customer Industry	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Pharmaceutical	545.96	24.89%	900.58	25.91%	853.67	22.27%	663.75	22.29%
Chemicals	407.15	18.56%	575.69	16.56%	479.23	12.51%	423.96	14.24%
Food & Beverage	326.09	14.86%	410.40	11.81%	838.29	21.88%	324.10	10.89%
Leachate	161.82	7.38%	358.97	10.33%	303.34	7.92%	251.83	8.46%
Textiles	64.96	2.96%	141.53	4.07%	210.15	5.48%	202.08	6.79%
Defense	123.52	5.63%	139.65	4.02%	142.80	3.73%	176.46	5.93%
Other (1)	564.25	25.72%	949.20	27.30%	1,004.66	26.21%	934.57	31.40%
Revenue from Operations	**2,193.75**	**100.00%**	**3,476.02**	**100.00%**	**3,832.13**	**100.00%**	**2,976.75**	**100.00%**

(1) Other includes agrochemicals and fertilizers, oil & gas, tannery, power and steel industries.

Our revenue and Order Book are concentrated with, and we are dependent on, a limited number of customers and projects. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top ten customers accounted for 59.88%, 44.38%, 63.63% and 56.41% of our consolidated systems and plants revenue, respectively; for 44.98%, 37.49% 41.93% and 39.76% of our consolidated operating and maintenance revenue, respectively; and for 50.38%, 38.46%, 47.25% and 50.96% of our consolidated spare parts revenue, respectively. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top five customers accounted for 41.98%, 31.83%, 44.41% and 39.16% of our consolidated systems and plants revenue, respectively; for 31.61%, 24.56%, 29.15% and 26.12% of our consolidated operating and maintenance revenue, respectively; and for 34.49%, 24.42%, 32.95% and 36.95% of our consolidated spare parts revenue, respectively. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our largest customer accounted for 13.20%, 8.61%, 12.51% and 15.98% of our consolidated systems and plants revenue, respectively; for 9.44%, 8.94%, 9.88% and 9.09% of our consolidated operating and maintenance revenue, respectively; and for 12.85%, 6.11%, 12.01% and 20.24% of our consolidated spare parts revenue, respectively.

Government Customers

We sell our products and services to Government Customers. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, Government Customers accounted for 5.65%, 7.78%, 2.40% and 7.80% of our consolidated systems and plants revenue, respectively; for 4.98%, 4.58%, 11.58% and 7.05% of our consolidated operating and maintenance revenue, respectively; and for 21.13%, 19.12%, 7.15% and 5.40% of our consolidated spare parts revenue, respectively.

International customers and exports

In the nine month period ended December 31, 2021 and in Fiscal 2021, we exported our products and delivered our services to over 18 countries in Asia, North Africa, Latin America and Europe. Two of our major international customers are East Africa Breweries (a subsidiary of Diageo Great Britain Ltd) and AB Mauri. During the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated revenue outside India, as a percentage of our revenue from operations were 20.56%, 25.52%, 34.62% and 14.59%, respectively.

The table set forth below provides consolidated revenue by geographical market and or revenue by geographical market as a percentage of our consolidated revenue from operations in the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Revenue by Geographical Market	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations	₹ million	% of revenue from operations
Within India	1,742.66	79.44%	2,588.89	74.48%	2,505.61	65.38%	2,542.34	85.41%
Outside India	451.09	20.56%	887.13	25.52%	1326.52	34.62%	434.41	14.59%
Total	**2,193.75**	**100.00%**	**3,476.02**	**100.00%**	**3,832.13**	**100.00%**	**2,976.75**	**100.00%**

Research and Development

We develop solutions to address industry specific challenges and requirements using our R&D capabilities. We are engaged in R&D activities to develop new membranes for use in particular industries, improved module design and new technology and systems. As of December 31, 2021, our R&D team included 22 employees. As of March 31, 2022, we had been awarded three patents in India and had filed three additional patent applications.

Manufacturing

We have two manufacturing facilities: one at Vasai, Maharashtra, India and one in Sharjah, U.A.E. Our Vasai facility is located on leasehold land and freehold and our Sharjah plant is held on a renewable annual lease. A description of our manufacturing units is set forth below.

Location	Commissioning Date	Covered Area (sq ft)	Headcount (1)	Product Lines
Vasai	Fiscal 1993	96,000	466	Modules and systems
Sharjah	Fiscal 2009	15,000	82	Membrane castings, modules, systems

(1) As of December 31, 2021.

Our manufacturing facilities are equipped with machinery and equipment like assembly lines, overhead cranes electrical / welding, test beds, onsite lab, welding sets, lathes and drill machines.

Our facilities in India and UAE are certified ISO 9001:2015 (quality management system). Further, our manufacturing facility in the UAE is certified ISO 14001:2015 (environmental management system) and ISO 45001-2018 (occupational health and safety).

Capacity, Production and Capacity Utilization

The following tables sets forth information relating to the installed capacity, actual production and capacity utilization of our major products at our three manufacturing facilities as of, and for, the nine month period ended December 31, 2021 and December 31, 2020 and as of, and for, Fiscal 2021, Fiscal 2020 and Fiscal 2019.

Facilities	As of, and for year ended March 31,								
	2021			2020			2019		
	Annual Installed Capacity (Nos.)	Annual Actual Production (Nos.)	Capacity Utilization (%)	Annual Installed Capacity (Nos.)	Annual Actual Production (Nos.)	Capacity Utilization (%)	Annual Installed Capacity (Nos.)	Annual Actual Production (Nos.)	Capacity Utilization (%)
Vasai									
Modules[(1)]	11,000	3,695	33.95%	9,000	4,640	51.56%	7,000	4,674	66.77
Systems[(2)]	600	190	31.67%	550	206	37.45%	450	217	48.22%
Sharjah									
Modules[(1)]	6,000	3,036	50.60%	5,000	3,021	60.42%	3,000	2,384	79.47%

Facilities	As of, and for the nine month period ended December 31,		
	2021		
	Annual Installed Capacity (Nos.)	Annual Actual Production (Nos.)	Capacity Utilization (%)
Vasai			
Modules[(1)]	11,000	1,742	15.84%
Systems[(2)]	600	118	19.67%
Sharjah			
Modules[(1)]	6,000	2,227	37.12%

* *As certified by Vishal S. Joshi, Chartered Engineer.*

(1) Modules comprise membrane modules for sea water treatment and wastewater treatment.

(2) Systems comprise brackish-water membrane based systems, polishing membrane based systems and wastewater membrane based systems.

See "*Risk Factors - Information relating to the installed manufacturing capacity of our manufacturing facilities included in this Draft Red Herring Prospectus are based on various assumptions and estimates and future production and capacity may vary.*"

Raw Materials

Our principal raw materials and products purchased to integrate with our systems include membranes, pumps, electrical instrumentation, board panels, cabinets, tubes, pipes, steel, and certain cleaners and chemicals. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated cost of raw materials and components consumed was ₹914.61 million, ₹1,295.39 million, ₹1,679.84 million and ₹1,363.94 million, respectively, which represented 41.48%, 39.23%, 45.09% and 49.05%, respectively, of our consolidated total expenses.

The success of our business is significantly dependent on our supply chain management. We have strong supply chain relationships both in India and the U.A.E. and internationally. In addition to India and the U.A.E., we also source raw materials from vendors in the United States and Germany. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our raw materials purchased overseas as a percentage of total raw materials purchases represented 45.76%, 41.10%, 37.61% and 42.94%, respectively.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under purchase orders of shorter periods or the open market. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability. Prices are negotiated for each purchase order, and we generally have more than one supplier for each raw material. The terms and conditions including the return policy are set forth in the purchase orders. Arrangements with raw material suppliers are subject to, among other things, regulatory requirements, various import duties and other government clearances.

We have in-house purchase, stores and logistics teams that work to determine procurement requirements for manufacturing finished products, creating production plans and ensuring the availability of raw materials. For this purpose, our enterprise resource planning and information technology systems are extensively used. We typically purchase raw materials based on the historical levels of sales, actual sales orders on hand and the anticipated production requirements taking into consideration any expected fluctuation in raw material prices, lead times and delivery delay.

Sales and Marketing

Our business is predominantly conducted on a business-to-business basis and our focus is on maintaining constant contact with customers and to ensure timely delivery of products and services. We have a dedicated sales team of 40 permanent employees in India and UAE. We also work with dedicated regional partners in various geographies who support our sales initiatives. Further in some cases we also work through other consulting firms/system integrators. In most cases, the customer directly places an order on our Company.

Sales and marketing initiatives are undertaken by the sales team. Our systems and plants are installed at our customer facilities. Given the nature of our product and service offering, we engage closely with our customers regarding various design and development related matters including, exchange of design and product information, feedback on various aspects of the product and pilot trials at the customer factories.

Logistics

We transport our finished products by road, sea and air. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated freight, clearing and forwarding expenses were ₹39.87 million, ₹90.38 million, ₹100.01 million and ₹61.36 million, respectively, which represented 1.81%, 2.74%, 2.68% and 2.21%, respectively, of our consolidated total expenses.

We sell our products on an ex-works basis. In addition, we may have to pay for transportation costs in relation to the delivery of some of the raw materials and other inputs to our manufacturing facilities. We do not own any vehicles for the transportation of our products and/or raw materials; we therefore rely on third party transportation and logistics providers for delivery of our raw materials and products. However, we do not have any long-term contractual arrangements with such third-party transportation and logistics providers.

Where we are responsible for shipping the products to the customer, our freight forwarders arrange for the finished products to be trucked to our customers in India or to the port for export, as applicable. Our custom house agents handle the requisite clearance procedures.

Quality Control, Testing and Certifications

Maintaining high standard of quality in our manufacturing, installation, operation and maintenance activities is critical to our growth and success. We have implemented quality systems across our manufacturing facilities that cover the full product lifecycle from process innovation and R&D, through the stages of process development, manufacturing, sales and supply chain, to the customer evaluation of our products as well as operation and management systems for ensuring consistent quality, efficacy and safety of our products.

Our products undergo a qualification process throughout the entire life cycle from development to manufacturing. The test specifications, test methods and manufacturing processes are all standardized and validated for every product based on historical data and risk assessments. Our quality control programs at our manufacturing facilities involve subjecting the manufacturing processes and quality management systems to periodic reviews and observations for various periods. Our manufacturing facilities in India and UAE have been duly certified in accordance with international standards of quality management systems such as ISO 9001:2015.

Environment, Health and Safety

Our Company is dedicated to sustaining strong ESG standards and to uphold our vision statement: “To be a leader in wastewater recycling using membrane and other advanced technologies to conserve resources and sustain our environment.”

We are subject to national, regional and state laws and government regulations in India and local Sharjah and federal U.A.E. laws and regulations in relation to safety, health and environmental protection. These laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees.

We strive to manage the potential risks associated with such laws and regulations through our operational controls, environmental monitoring and routine risk assessment and mitigation processes. We aim to adopt the best available environment, health and safety practices and also engage with our suppliers to promote new approaches to reduce our environmental impact. Additionally, we maintain an ongoing audit system, including both internal and external audits, designed to help identify and mitigate risks. Further, our manufacturing facilities use our own zero liquid discharge and wastewater reuse systems to minimize any contamination of the surrounding environment or pollution in compliance with applicable law. In addition, we currently estimate that we meet 30% of our energy requirements through renewable sources, primarily solar power. Our facilities in India and UAE are certified ISO 9001:2015 (quality management system). Further, our manufacturing facility in the UAE is certified ISO 14001:2015 (environmental management system) and ISO 45001-2018 (occupational health and safety).

During the last three Fiscal Years and the nine month period ended December 31, 2021, we made the following investments in relation to environment protection:

- Installation of a 141 KW rooftop solar power plant;
- Installation of a sewage treatment plant; and
- Installation of facilities for treated sewage recycling for use in production.

We work to ensure a safe and healthy workplace and provide our employees with the benefits, resources and flexibility to maintain and improve their wellness. We have a designated team of safety personnel including trained fire fighters and safety managers.

To ensure the health and safety of employees during the ongoing pandemic, additional security and safety measures were implemented. Also, see "*Risk Factors- The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition."* On page 34.

Utilities

We consume a substantial amount of water and power for our operations at our manufacturing facilities, which is sourced through the local state power grid in India and local grid in Sharjah, U.A.E. Additionally, we have also installed generators in our manufacturing facilities to ensure uninterrupted supply of power. We currently estimate that we meet 30% of our energy requirements through renewable sources, primarily solar power. We also consume fuel to power our generators. In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our consolidated power and fuel expenses were ₹2.86 million, ₹8.69 million, ₹9.51 million and ₹6.77 million, respectively, which represented 0.13%, 0.26%, 0.26% and 0.24% of our consolidated total expenses.

Information Technology

Our IT systems are vital to our business, and we have adopted IT policies to assist us in our operations. We utilize cloud based enterprise resource planning solutions for our key subsidiaries, which assists us with various business functions including sales distribution, materials management, inventory management, production planning, quality management, plant maintenance, finance and controlling, environment health and safety, and human resources. We also have a proprietary O&M billing application. We use computer aided design and 3D tools for product design. Further we have also implemented human resource management systems for smooth functioning of our human resources function. We have implemented multiple automation systems at our manufacturing facilities which help us in routine operations. We consistently make efforts to maintain and upgrade our systems to ensure business continuity.

Information security and disaster recovery

Information security is one of our key focus areas. Our agreement with our cloud services provider guarantees uptime and access to data stored on the server is provided to authorized users only through dedicated firewalls and secure VPN gateway. User access management best practices are governed through our IT policies and followed and reviewed on a regular basis. Our cloud services provider is compliant with various IT certifications such as ISO 27001 and SOC2 Type 2. Virtual machine level backup of all virtual machine's is triggered automatically on a daily and weekly basis as per the defined Backup and Retention Policy.

For information on the risk to our IT systems, see "*Risk Factors - Failure or disruption of our IT and/or ERP systems may adversely affect our business, financial condition and results of operations*" on page 44.

Insurance

Our operations are subject to risks inherent as an industrial wastewater treatment manufacturer and service provider, which include defects, liability for product and/or property damage, malfunctions and failures of manufacturing equipment, fire, explosions, loss-in-transit for our products, accidents, personal injury or death, environmental pollution and natural disasters. We maintain insurance coverage that we consider necessary for our business. We maintain an insurance policy that insures against material damage to buildings, facilities and machinery, furniture, fixtures, fittings, stocks, and machinery breakdown. We also maintain a marine cargo insurance policy that insures consignments of goods by sea and by courier until delivery to the customer's warehouse and inland movement of bulk cargo in road tankers. In addition, we maintain commercial general liability insurance that covers liability in claims for bodily injury (and medical payments), property damage, and personal and accidental injury.

As of December 31, 2021, the total amount of our insurance coverage was ₹558.60 million. The total amount insured and gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible

assets) were ₹558.60 million and ₹1,555.91 million, respectively, as of December 31, 2021. Consequently, our insurance cover for the gross value of all fixed assets (including property, plant and equipment, capital work in progress, right of use asset and intangible assets) was 36%, as of December 31, 2021.

Competition

We compete to provide our wastewater treatment products and services primarily to pharmaceutical, chemical, desalination, food and beverage, textile and defense industries, amongst others. Our competition includes full-service water treatment companies, manufacturers of membrane and filtration systems, system integrators and installers and operating and maintenance companies. Our integrated water and wastewater end-to-end treatment solutions provide us with a competitive advantage. We compete primarily on the basis of product and services offering, quality of our products, systems and spares, quality of our installation, operation and maintenance services (on-time delivery, customer service), security of supply (quality, regulatory compliance and financial stability), and cost- effective manufacturing and services. For further information, see "Industry Overview" on page 118.

Human Resources

We place importance on developing our human resources. As of December 31, 2021, we had 1,054 employees, The following table sets forth the number of our employees as of December 31, 2021:

Departments / Teams	Number of Employees December 31, 2021
Management & Administration	39
Business Efficiency Group	6
Commercial	7
Design	22
Environment, Health & Safety	1
Finance and accounts	38
Production	185
Projects	29
Quality Assurance	11
Research & Development (R&D)	23
Sales and marketing	42
Services	576
Supply Chain Management	74
HR	1
Total	**1,054**

In the nine month period ended December 31, 2021 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our attrition rates were 18% 23%, 23% and 21%, respectively. The average tenure across all our employees is approximately five years.

We do not have recognized trade unions at our manufacturing facilities. We have not experienced any material work stoppages due to labor disputes or cessation of work in the last three fiscal years.

We are focused on improving gender diversity. We had 90 full-time female employees as of December 31, 2021.

Our work force is a critical factor in maintaining quality, productivity and safety, which strengthens our competitive position. We are committed to providing an attractive working environment for our employees and to provide safe and healthy working conditions. We offer formal and informal training as well as on-the- job learning. We emphasise engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management.

Our workforce has been impacted by COVID-19, see "*Risk Factors- The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition."* on page 34.

Intellectual Property

As of March 31, 2022, we had been awarded three patents in India and had filed three additional patent applications.

Entity	Status	Patent No.	Description	Product application
Rochem	Granted	999/MUM/2002	Process for reducing total volume of distillery effluent	Distillery – provides single access to large distillery wastewater concentration markets
Rochem	Granted	87/MUM/2003	Process for simultaneous clarification and decolorization of sugarcane juice by using flat membrane ultra-filtration module	Distillery – provides single access to large distillery wastewater concentration markets

Entity	Status	Patent No.	Description	Product application
Concord Blue Technology	Granted	1312/MUM/2009	Process for generating energy from organic materials and/or biomass	Industrial solid waste disposal with energy recovery
Rochem	Filed	202021043600	Improved modular frame for fluid separation	WHE – improved modular frame – openable and reusable frame structure for separation applications including membrane-thermal separations
Rochem	Filed	202021043781	System and method for evaporation and condensation	WHE system – multi stage evaporation system completely in plastic for low temperature evaporation
Rochem	Filed	202021043779	Systems and methods for evaporation and condensation with vapor recompression	WHE – vapor recompression evaporation system completely in plastic

Further, our Company has 27 registered trademarks in India under various classes. Additionally, we have also filed applications for grant of 11 additional trademarks in India, of which 8 trademark applications have been opposed, and others are pending registration at various stages. We have made an application for the registration of our corporate logo CONCORD enviro .

We also entered a technology transfer agreement, dated June 29, 2021, with Rochem Water Treatment GmBH for the exclusive use of the brand 'Rochem' in perpetuity. Our Company also has 17 registered domain names.

We have acquired and developed and continue to acquire and develop knowledge and expertise, or know-how, and trade secrets in the provision of services in our businesses, including know-how and trade secrets related to proprietary technologies and patents, trademarks, know-how and trade secrets related to our contract manufacturing and our generic products. Our know-how and trade secrets in our businesses may not be patentable, however, they are valuable in that they enhance our ability to provide high-quality services and products to our customers. See "*Risk Factors – Our inability to maintain, protect and enforce our intellectual property rights, could aversely affect our business, results of operation and financial condition. Further, if our products were found to be infringing on the intellectual property rights of a third-party, we could be required to cease selling the infringing products, causing us to lose future sales revenue from such products and face substantial liabilities for patent infringement.*" on page 39.

Properties

Offices

Our registered and corporate office is located at 101 HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai - 400051, India.

Manufacturing and Warehouse Facilities

We own freehold land at Vasai, Maharashtra, India where our Indian manufacturing facilities are located. We also have four leasehold plots at Vasai, which are taken a a lease of 77, 69, 58 and 61 years, respectively . We have a freehold plot of land in Bhiwandi, Maharashtra, India, which is being used as storage space for containerized systems. In addition, in Sharjah, U.A.E., we have manufacturing facilities, which we have taken on renewable annual lease in the Sharjah Airport International Free Zone.

Corporate Social Responsibilities

In compliance with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, we have a Corporate Social Responsibility ("**CSR**") Committee, which is constituted by three Directors.

We have identified the following priority projects to be undertaken by the CSR Committee:

- Setting up RO Purification plant at various schools & institutions; and
- Promoting Health Care by donating an Oxygen Plant.

Our contributions under corporate social responsibility for the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019 were ₹11.40 million, ₹0.30 million, ₹0.12 million and ₹5.29 million, respectively.

COVID-19 – Recent Developments

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and evolving. The GoI initiated a nation-wide lockdown from March 24, 2020, that lasted until May 31, 2020, and has been extended periodically by varying degrees by state governments and local

administrations. We were required to shut down our Indian manufacturing activities and operations in Mumbai from March 23, 2020. Our Mumbai operations resumed phased operations from April 7, 2020. Our corporate office resumed phased operations from June 8, 2020. Our manufacturing operations in Sharjah, UAE were also affected wherein we had to operate with curtailed staff. In addition, we encountered an increase in the prices of raw materials and shipping freight both inward and outward since September 2020 Further due to various travel restrictions in India and overseas, the sales activities were also affected. Consequently, our operations were adversely affected by the COVID-19 pandemic. For further information, see "*Risk Factors — The impact of the COVID-19 pandemic is uncertain and still evolving, and could adversely affect our business, results of operations and financial condition.*"

The safety and security of our employees and contractual workers has been our key focus throughout COVID-19. Stringent safety measures were introduced following the pandemic outbreak, including regular sanitization and adequate physical distancing at our workplaces and transportation, providing protective gear to employees, and carrying out periodical testing for antibody and COVID-19 infections.

KEY REGULATIONS AND POLICIES

Our Company is a leading provider of systems, products and services focused on sustainability through engineered, technology enabled industrial wastewater treatment and recycling solutions. The following description is a summary of certain key statutes, bills, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.

Taxation statutes such as the Income-tax Act, 1961, the Customs Act, 1962 and the relevant goods and services tax legislation apply to us as they do to any other company. For details of government approvals obtained by our Company, see "Government and Other Approvals" on page 361.

The information detailed in this chapter, is based on the current provisions of key statutes, bills, regulations, notifications, memorandums, circulars and policies which are subject to amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.

Environmental Legislations

The Environment (Protection) Act, 1986 ("EPA"), Environment Protection Rules, 1986 (the "EP Rules"), the Environmental Impact Assessment Notification, 2006 ("EIA Notification") and the Environment (Protection) Amendment Rules, 2021

The EP Act has been enacted for the protection and improvement of the environment. EP Act empowers the government to take all measures to protect and improve the quality of environment, such as by laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate and laying down safeguards for handling hazardous substances, amongst others. It is in the form of an umbrella legislation designed to provide a framework for Central Government to coordinate the activities of various central and state authorities established under previous laws. It is also in the form of an enabling law, which delegates wide powers to the executive to enable bureaucrats to frame necessary rules and regulations.

Further, the EP Rules specifies, *inter alia*, the standards for emission or discharge of environmental pollutants, prohibitions and restrictions on the location of industries as well as on the handling of hazardous substances in different areas. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the EIA Notification and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources. Pursuant to the Environment (Protection) Amendment Rules, 2021**,** a new serial number 115 which deals with 'Regulation on Use of Water Purification System (WPS)' shall be inserted in Schedule-I, which mandates that all DWPS (Department for Work and Pension) and ODWPS shall comply with the guidelines issued by the Central Pollution Control Board. It prescribes the responsibilities of the manufacturer and user of DWPS and ODWPS, including that discarded elements of DWPS will be managed as per the provisions of the Plastic Waste Management Rules, 2016; E-Waste (Management) Rules, 2016; Hazardous Waste Management Rules, 2016, as amended from time to time and plastic, electronic and electrical waste generated as discarded elements shall be brought under Extended Producer Responsibility (EPR). Further, it stipulates that ODWPS shall be regulated under the provisions of the Water (Prevention and Control of Pollution), Act, 1974 and various rules under the Environment (Protection) Act, 1986, and the nodal agency for implementation shall be the State Pollution Control Board or the Pollution Control Committee.

Rules that may be applicable under aforesaid act are mentioned hereunder:

- *The Manufacture, Storage and Import of Hazardous Chemicals Rules 1989*

  The Hazardous Chemicals Rules ("HCR") are formulated under the EPA. The HCR Rules are applicable to an industrial activity in which a hazardous chemical which satisfies certain criteria as listed in the schedule thereto, and to an industrial activity in which there is involved a threshold quantity of hazardous chemicals as specified in the schedule thereto. The occupier of a facility where such industrial activity is undertaken has to provide evidence to the prescribed authorities that he has identified the major accident hazards and that he has taken steps to prevent the occurrence of such accident and has to provide to the persons working on the site with the information, training and equipment including antidotes necessary to ensure their safety. Where a major accident occurs on a site or in a pipeline, the occupier shall forthwith notify the concerned authority and submit reports of the accident to the said authority. Furthermore, an occupier shall not undertake any industrial activity unless he has submitted a written report to the concerned authority containing the particulars specified in the schedule to the HCR Rules at least three months before commencing that activity or before such shorter time as the concerned authority may agree.

- *Wetland (Conservation and Management) Rules, 2017*

  The Ministry of Environment, Forest and Climate Change (MoEF&CC) has notified Wetlands (Conservation and Management) Rules, 2017 under the provisions of the Environment (Protection) Act, 1986 as regulatory framework for conservation and management of wetlands in India. The 2017 Wetland rules called for setting up a National Wetland Committee, to guide the state bodies on the integrated management of wetlands based on wise-use principle and review the progress of integrated management of Ramsar Convention sites among other roles, and for constituting wetlands authority comprising ministers, officials and experts, in all states. The state authority would formulate a list of activities to be allowed, regulated or prohibited within wetlands and their zone of influence, define conservation strategies and wise use of wetlands. The Guidelines for the Rules have been drafted to support the State Governments / Union Territory (UT) Administrations in the implementation of the Rules by providing guidance on various aspects like identifying wetlands for notification under the Rules, delineating wetlands, wetland complexes and zones of influence, preparation of Brief Document, developing a list of activities to be regulated and permitted, constitution and operational matters of the Wetlands Authorities among other issues.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution and to maintain or restore wholesomeness of water. The Water Act provides for one Central Pollution Control Board, as well as state pollution control boards, to be formed to implement its provisions, including enforcement of standards for factories discharging pollutants into water bodies. Any person intending to establish any industry, operation or process or any treatment and disposal system likely to discharge sewage or other pollution into a water body, is required to obtain the consent of the relevant state pollution control board by making an application.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

The Air Act aims to prevent, control and abate air pollution, and stipulates that no person shall, without prior consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area. They also cannot discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Boards. The Central Pollution Control Board and the state pollution control boards constituted under the Water Act perform similar functions under the Air Act as well. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant.

Solid Waste Management Rules, 2016

The Solid Waste Management Rules, 2016 shall apply to every authority responsible for collection, segregation, storage, transportation, processing and disposal of solid wastes. The operator of a facility involved in collecting, segregating, storing, transporting, processing and disposal solid wastes and any other agency appointed for the management and handling of solid wastes is required to obtain authorizations from the State Pollution Control Board. Any solid waste generated is required to be managed and handled in accordance with the procedures specified in the Solid Wastes Rules.

The Public Liability Insurance Act, 1991 ("PLI Act") & the Public Liability Insurance Rules, 1991

The PLI Act imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The Rules made under the PLI Act mandate the employer to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies

Coastal Regulation Zone Notification ("CRZ Notification")

The CRZ Notification notified on January 18, 2019 suppressed the one notified on January 6, 2011 by the Ministry of Environment and Forests. The CRZ Notification restricts the setting up and expansion of any industry, operations or processes and manufacture or handling or storage or disposal of hazardous substances as specified in the Hazardous Substances (Handling, Management and Transboundary Movement) Rules, 2016 in the Coastal Regulation Zone. The CRZ Notification provides for detailed classification of the Coastal Regulation Zones into different zones for the purpose of conserving and protecting coastal areas and marine waters, and accordingly permits or prohibits the specific activities within each zone.

In addition to the above-mentioned environmental laws, following in an indicative list of the environmental laws which may be applicable to our Company due to the nature of the business activities:

- Plastic Waste Management Rules, 2016 as amended by Plastic Waste Management (Amendment) Rules, 2022.
- Bio-medical Waste Management Rules, 2016

- E-Waste (Management) Rules, 2016
- Legal Metrology Act, 2009
- The Indian Boilers Act, 1923

The Pollution Control Boards ("**PCBs**"), are vested with diverse powers to deal with water and air pollution and have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspections to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms.

Labour Related Legislations

Factories Act, 1948

The Factories Act, 1948, as amended (the "**Factories Act**"), defines a "factory" to cover any premises which employs 10 or more workers on any day of the preceding 12 months and in which manufacturing process is carried on with the aid of power or any premises where at least twenty workers are employed in a manufacturing process. Each state government has enacted rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories act provides that an occupier of a factory i.e., the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors, must ensure the health, safety and welfare of all workers. There is a prohibition on employing children below the age of fourteen years in a factory. The Factories Act also provides for imposition of fines and imprisonment of the manager and occupier of the factory in case of any contravention of the provisions of the Factories Act.

In addition to the Factories Act, the employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following in an indicative list of labour laws which may be applicable to our Company due to the nature of the business activities:

- The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- The Industrial Disputes Act, 1947;
- The Employees' State Insurance Act, 1948;
- The Maternity Benefit Act, 1961;
- The Contract Labour (Regulation and Abolition) Act, 1970;
- The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- The Employee's Compensation Act, 1923;
- The Minimum Wages Act, 1948;
- The Payment of Wages Act, 1936;
- The Payment of Gratuity Act, 1972;
- The Payment of Bonus Act, 1965;
- Equal Remuneration Act, 1976;
- The Industrial Employment (Standing Orders) Act, 1946; and
- The Trade Unions Act, 1926.
- The Child Labour (Prohibition and Regulation) Act, 1986;

In addition to the above, the following legislations may be applicable to our Company, depending upon the rules notified by different States.

1. The Code on Wages, 2019, was notified on August 08, 2019 which subsumes four Central labour legislations namely the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976.

2. The Occupation Safety, Health and Working Conditions Code, 2020 was notified on September 29, 2020 which repeals and subsumes under it:

    a. The Factories Act, 1948;

    b. The Plantations Labour Act, 1951;

    c. The Mines Act, 1952;

    d. The Working Journalists and other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955;

    e. The Working Journalists (Fixation of Rates of Wages) Act, 1958;

    f. The Motor Transport Workers Act, 1961;

    g. The Beedi and Cigar Workers (Conditions of Employment) Act, 1966;

    h. The Contract Labour (Regulation and Abolition) Act, 1970;

    i. The Sales Promotion Employees (Conditions of Service) Act, 1976;

    j. The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979;

    k. The Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981;

    l. The Dock Workers (Safety, Health and Welfare) Act, 1986;

    m. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996

3. The Industrial Relations Code, 2020 was notified on September 29, 2020 which subsumes the following enactments:

    a. The Trade Unions Act, 1926;

    b. The Industrial Employment (Standing Orders) Act, 1946, and

    c. The Industrial Disputes Act, 1947.

4. The Code on Social Security was notified on September 29, 2020 which subsumes under the following enactments:

    a. The Employee's Compensation Act, 1923

    b. The Employees' State Insurance Act, 1948

    c. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952

    d. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959

    e. The Maternity Benefit Act, 1961

    f. The Payment of Gratuity Act, 1972

    g. The Cine-Workers Welfare Fund Act, 1981

    h. The Building and Other Construction Workers' Welfare Cess Act, 1996

    i. The Unorganized Workers' Social Security Act, 2008.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

5. The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

6. 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 Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.

7. The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

8. The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provision concerning application of Aadhaar has already been notified by the Central Government.

Maharashtra Shops and Establishments (Regulation of Employment and Condition of Service) Act 2017 ("Shops and Establishments Act")

Under the provisions of the Shops and Establishments Act, applicable in the state of Maharashtra, establishments are required to be registered. The Shops and Establishments Act regulates the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the Shops and Establishments Act.

Miscellaneous Laws

Intellectual Property

Intellectual property rights refer to the general term for intangible, intellectual, industrial property rights through patents, copyrights and trademarks and includes geographical indications, trade secrets, and confidential information. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period. The Trade Marks Act, 1999, as amended (the "Trade Marks Act"), provides for the registration of trademarks in India, pursuant to which the registered owner of a trademark is granted exclusive rights to registered marks, including brands, labels and headings, and to obtain relief in case of infringement for commercial purposes. The Trade Marks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringing, falsifying and falsely applying trademarks. The Patents Act, 1970 ("Patents Act") governs the patent regime in India. Being a signatory to the Agreement on Trade Related Aspects of Intellectual Property Rights, India is required to recognize product patents as well as process patents. In addition to the broad requirement that an invention satisfy the requirements of novelty, utility and non-obviousness in order for it to avail patent protection, the Patents Act further provides that patent protection may not be granted to certain specified types of inventions and materials even if they satisfy the above criteria. Section 39 of the Patents Act also prohibits any person resident in India from applying for a patent for an invention outside India without making an application for a patent for the same invention in India. The term of a patent granted under the Patents Act pursuant to Section 53 is for a period of twenty years from the date of filing of the application for the patent. A patent shall cease to have effect if the renewal fee is not paid within the period prescribed for the payment of such renewal fee.

Foreign Investment in India

The foreign investment in India is governed, among others, by the Foreign Exchange Management Act, 1999, the Foreign Exchange Management (Non-debt Instruments) Rules, 2019 ("**FEMA Rules**") and the consolidated FDI policy (effective from October 15, 2020) issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion ("**FDI Policy**"), each as amended. Further, the Reserve Bank of India has enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on October 17, 2019 which regulates mode of payment and remittance of sale proceeds,

among others. Under the FDI Policy, 100% foreign direct investment under the automatic route, *i.e.*, without requiring prior governmental approval, is permitted in the industrial waste water sector The FDI Policy and the FEMA Rules prescribe *inter alia* the method of calculation of total foreign investment (*i.e.*, direct foreign investment and indirect foreign investment) in an Indian company.

Foreign Trade (Development and Regulation) Act, 1992 ("FTA")

The FTA seeks to increase foreign trade by regulating imports and exports to and from India. It authorizes the government to formulate as well as announce the export and import policy and to keep amending the same on a timely basis. The government has also been given a wide power to prohibit, restrict and regulate the exports and imports in general as well as specified cases of foreign trade. The FTA read with the Indian Foreign Trade Policy, provides that no person or company can make exports or imports without having obtained an importer exporter code ("IEC") number unless such person or company is specifically exempted. An application for an importer exporter code number has to be made to the Office of the Director General of Foreign Trade, Ministry of Commerce ("DGFT"). An importer-exporter code number allotted to an applicant is valid for all its branches, divisions, units and factories. Failure to obtain the IEC number shall attract penalty under the FTA.

Overseas Direct Investment ("ODI")

In terms of the Master Direction No. 15/2015-16 on "Direct Investment by Residents in Joint Venture/Wholly Owned Subsidiary Abroad" issued by the RBI on January 1, 2016 and last updated on June 24, 2021, an Indian entity is permitted to make ODI under the automatic route up to limits prescribed by the RBI, which currently should not exceed 400% of its net worth as per the last audited balance sheet. Any financial commitment exceeding USD one billion (or its equivalent) in a financial year would require prior approval of the RBI.

Laws in relation to Taxation

In addition to the aforementioned material legislations which are applicable to our Company, some of the tax legislations that may be applicable to the operations of our Company include:

i. Income Tax Act 1961, and the Income Tax Rules, 1962, as amended by the Finance Act in respective years;

ii. Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;

iii. The Integrated Goods and Service Tax Act, 2017;

iv. State-wise professional tax legislations; and

v. Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was originally incorporated as "*Concord Enviro Systems Private Limited*" under the provisions of the Companies Act, 1956 pursuant to a certificate of incorporation dated July 1, 1999, issued by the RoC. Pursuant to a memorandum of understanding dated August 18, 1999 executed between our Company, and "Universal Blenders", a partnership firm constituted pursuant to partnership deed dated August 19, 1992, as amended, our Company took over the assets and liabilities of Universal Blenders, which ceased its business operations, and was taken over and carried in the name of the Company with effect from July 3, 1999. The name of our Company was subsequently changed to "*Concord Enviro Systems Limited*", upon conversion into a public company, pursuant to a board resolution dated May 23, 2022 and a shareholders' resolution dated May 25, 2022, and a fresh certificate of incorporation was issued by the RoC consequent upon change of name on conversion to public limited company on June 9, 2022.

Change in the Registered Office

Except as stated below, there has been no change in the registered office of our Company since incorporation:

Effective Date	Details of change	Reason for change
October 10, 2013	The registered office of our Company was changed from 101 Dheeraj Arma, Anant Kanekar Road, Bandra East, Mumbai, Maharashtra, India – 400051 to 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai-400051, Maharashtra, India.	Change in name of the tower from Dheeraj Arma to HDIL Towers.
June 15, 2005	The registered office of our Company was changed from 002 Lavlesh Court, Pandit Varde Road, Bandra (West), Mumbai – 400050 to 101 Dheeraj Arma, Anant Kanekar Road, Bandra East, Mumbai, Maharashtra, India – 400051	Administrative convenience

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as mentioned below:

1. *To takeover running business of "Universal Blenders", a registered partnership firm with its all assets, all liabilities, trademarks, good will, licenses, permits etc. and after complete takeover, the partnership would be dissolved.*

2. *To deal in, import, export, sell, manufacture, fabricate, design, assemble, construct, erect, commission, hire all types of Pollution Control Systems, Environmental Control Systems, Water Treatments System along with their plants, machineries, accessories, Instruments incorporating or by themselves all associated equipment for Pre-treatment such as precipitators, lime softeners, pressure tanks and filters, ion exchange softeners, ion exchange demineralisers, dealkalisers, metal recovery systems, condensate polishers, waste neutralization systems, electro – dialysers, diffusion dialysers, reverse osmosis plants, degassers and detractors or any similar equipments along with its spare parts, appliances, fixtures, attachments, implements, devices, materials, substances, minerals things and other requisites and facilities necessary or useful.*

Amendments to our Memorandum of Association in the last 10 years

Except as stated below, there have been no amendments to our Memorandum of Association in the last 10 years preceding the date of this Draft Red Herring Prospectus:

Date of change/ shareholders' resolution	Nature of amendment
May 25, 2022	Clause V of the Memorandum of Association was amended to reflect the re-classification of authorised share capital from ₹ 425,000,000 comprising of 50,000 equity shares of ₹ 100 each and 420,000 preference shares of ₹ 1,000 each to ₹ 425,000,000 comprising of 2,000,000 equity shares of ₹ 100 each and 225,000 preference shares of ₹ 1,000 each.
May 25, 2022	Clause V of the Memorandum of Association was amended to reflect the sub-division of face value of equity shares from ₹100 each to ₹ 5 each and the authorised share capital from ₹ 425,000,000 comprising of 2,000,000 equity shares of ₹ 100 each and 225,000 preference shares of ₹ 1,000 each was sub-divided into ₹ 425,000,000 comprising of 40,000,000 equity shares of ₹ 5 each and 225,000 preference shares of ₹ 1,000 each.
May 25, 2022	Clause I of the Memorandum of Association was amended to reflect the conversion of our Company from a private limited company to a public limited company and consequent change in name of our Company from Concord Enviro Systems Private Limited to Concord Enviro Systems Limited.

Major events and milestones

The table below sets forth some of the major events and milestones of our Company:

Financial Year	Event /milestone
1992 - 1993	Company supplied reverse osmosis distillation plant to the Indian Navy for user and evaluation trials.
1994-1995	• Company ventured into offshore seawater desalination equipment supply via our Subsidiary, Rochem Separation Systems (India) Private Limited • Order from Goa Shipyard Limited for supply of RO type fresh-water generators for survey vessel yards • Investment by Rochem Group S.A., Switzerland, into 50% equity share capital of our Subsidiary, Rochem Separation Systems (India) Private Limited
1995-1996	First order for RO system to be installed on submarines
2000-2001	Expanded into industrial wastewater reuse through our Subsidiary, Rochem Separation Systems (India) Private Limited by industrial installation along with Aurobindo Pharma Limited
2006- 2007	• Set up operations in Sharjah Airport International Free Zone through incorporation of our Subsidiary, Blue Water Trading and Treatment (FZE) • Acquisition by Concord Shipping Private Limited of 50% of the equity share of our joint venture from Rochem AG by purchase of shares of Rochem Separation Systems (India) Private Limited held by Rochem AG
2008-2009	Company expanded its customer segment through our Subsidiary, Rochem Separation Systems (India) Private Limited to the oil and gas sector
2009 - 2010	• Our Company acquired the entire shareholding in Reva Enviro Systems Private Limited pursuant to a share purchase agreement dated June 2, 2009 • Earned a total income of ₹ 1,000 million in the financial year 2009-10.
2010 - 11	• Expanded our manufacturing and export facilities in the UAE through incorporation of our Subsidiary, Concord Enviro FZE • Company expanded its customer segment through our Subsidiary, Rochem Separation Systems (India) Private Limited to the food and beverage sector
2013-14	Expanded product portfolio with High Pressure Reverse Osmosis ("**HPRO**") and Low Pressure Reverse Osmosis ("**LPRO**") plants
2014- 15	Sold NF membrane plant through our Subsidiary, Rochem Separation Systems (India) Private Limited
2016-17	Incorporation of Roserve Enviro Private Limited, to carry on business of owning and providing on rent/ lease, operating/ maintaining and buying, selling, reselling, all kinds of reverse osmosis plants and allied equipment, machinery, plants, and other equipment
2017-18	Rochem Separation Systems (India) Private Limited installed its first HPRO System
2018 - 19	• Commercialization of waste heat evaporators by our Subsidiary, Rochem Separation Systems (India) Private Limited • Commencement of exports to China and Africa, by our Subsidiary Concord Enviro FZE

Key awards, accreditations or recognitions

During the tenure of its operations, our Company has not received any awards, accreditation or recognitions.

Time and cost overrun in setting up projects by our Company

Our Company has not experienced any time or cost overruns in relation to any projects, since incorporation.

Defaults or rescheduling/restructuring of borrowings with financial institutions/banks

There have been no defaults or rescheduling/restructuring of borrowings with financial institutions or banks by our Company.

Details regarding mergers, demergers or amalgamation

Our Company has not undertaken any merger, demerger or amalgamation in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Details regarding material acquisitions or divestments of business/undertakings, and any revaluation of assets in the last 10 years

Our Company has not acquired any material business or undertaken any divestments of business or undertaking or revaluation of assets in the last 10 years preceding the date of this Draft Red Herring Prospectus.

Launch of key products or services, capacity/facility creation, location of plants, entry into new geographies or exit from existing markets

For further details in relation to launch of key products or services, capacity/facility creation, location of plants, entry in new geographies or exit from existing markets by our Company, see "– Major events and milestones" and "*Our Business*" on pages 182 and 154 respectively.

Facility creation, location of offices

For details regarding facility creation and location of the offices or principal places of business of our Company, see "***Our Business***" on page 154.

Significant financial and/or strategic partners

Our Company does not have any significant financial and / or strategic partners as of the date of this Draft Red Herring Prospectus.

Details of shareholders' agreements

Except as disclosed below, as on the date of this Draft Red Herring Prospectus our Company does not have any subsisting shareholders' agreements among our Shareholders *vis-a-vis* our Company:

Shareholders' Agreement dated August 7, 2015 ("2015 SHA") entered into by the Company and Prerak Goel and Prayas Goel and AF Holdings read with the amendment agreement to the SHA dated October 3, 2015 ("2015 Amendment"), subscription cum addendum agreement dated March 21, 2016 ("First Amendment"), and a second subscription cum addendum agreement dated October 26, 2017 ("Second Amendment"), and an amendment agreement dated April 20, 2021 ("Third Amendment") and amendment agreement dated June 22, 2022 ("2022 Amendment") (together "SHA").

Our Company, our Promoters, and AF Holdings (collectively the "Parties") have entered into the SHA to record the terms and conditions of the investment in the Company and their inter-se rights as shareholders of the Company by way of which certain investments were made in the Company.

The SHA provides for certain rights and obligations such as (i) director nomination rights (ii) information rights, (iii) right of first offer, (iv) tag along rights, (v) right of first refusal and (vi) anti-dilution right.

Pursuant to the 2022 Amendment, the parties have also agreed to waive certain rights inter alia pre-emptive rights, drag rights, put option rights, information rights and confidentiality.

The 2022 Amendment also provides that AF Holdings shall have the right to nominate and appoint (a) 2 (two) nominee Directors on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of AF Holdings is above or equal to, but does not fall below 10.% (ten per cent) of the total paid-up share capital of the Company, on a fully diluted basis, and (b) 1 (one) nominee Director on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of AF Holdings is less 10% (ten per cent), but does not fall below 5.% (five per cent) of the total paid-up share capital of the Company, on a fully diluted basis ("**Investor Nominee Director(s)**"); provided further that the right to appoint the Investor Nominee Director(s) shall be subject to the approval of the shareholders of the Company by way of a special resolution, in the first general meeting of the shareholders which is convened after the Listing Date (as defined below).

Further, under the 2022 Amendment, Prayas Goel and Prerak Goel have the right to nominate and appoint (a) three nominee directors on the Board of Directors of the Company, provided however that the aggregate shareholding of Prayas Goel and Prerak Goel is above or equal to, but does not fall below 10% of the total paid-up share capital of the Company, on a fully diluted basis, and (b) one nominee director on the Board of Directors of the Company, provided that the aggregate shareholding of Prayas Goel and Prerak Goel is less than 10% but does not fall below 5% of the total paid-up share capital of the Company, on a fully diluted basis.

Further, pursuant to the 2022 Amendment, upon the complete exit of AF Holdings from the Company, if the internal rate of return earned by AF Holdings, exceeds 25% of their initial investment amount after deduction of all costs and expenses, then AF Holdings would be required to pay to our Promoters, Prayas Goel and Prerak Goel, 30% of the net capital gains earned by them, subject to receipt of requisite approvals, including from the Board and shareholders' of the Company, as required under

Regulation 26 (6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, post listing of the Equity Shares pursuant to the Offer.

The SHA shall stand automatically terminated without any further act or deed required on the part of any Party on the date on which the Equity Shares of the Company are listed on a recognized stock exchange in India pursuant to the Offer ("**Listing Date**").

In accordance with the terms of the 2022 Amendment, Part I of our Articles of Association shall continue post the Listing Date and Part II (which comprises of all rights of AF Holdings and reflects the provisions of the SHA) shall terminate, and shall cease to have any force and effect on and from the Listing Date, without any further action by the Company or the shareholders of the Company.

Share Purchase Agreement dated August 7, 2015 entered into by our Company and Prerak Goel and Prayas Goel and AF Holdings ("SPA")

AF Holdings, pursuant to the SPA, agreed to purchase 350 equity shares of the Company held by Prerak Goel and 345 equity shares of the Company held by Prayas Goel for a total consideration of ₹ 59,913,795.50.

Share Purchase Agreement dated August 6, 2015 entered into by our Company, AF Holdings and India Waste Water Treatment Company ("Wastewater SPA")

Pursuant to the Waste Water SPA, AF Holdings agreed to acquire 11,056 equity shares of our Company, together with all rights and benefits attached thereto and free from any encumbrances, from the India Waste Water Treatment Company for a consideration of ₹ 580,000,000. In terms of the Waste Water SPA, India Waster Water Treatment Company also agreed to waive its pre-emption rights in respect of transfer of equity shares of our Company held by our Promoters, Prayas Goel and Prerak Goel to AF Holdings.

Share Subscription Agreement dated August 7, 2014 entered into by our Company, Prerak Goel, Prayas Goel and AF Holdings ("SSA 2014") read with amendment agreement to the SSA dated October 3, 2015 ("SSA Amendment 2015"), subscription cum amendment dated March 21, 2016 ("SSA Amendment 2016"), and second subscription cum amendment agreement dated October 26, 2017 ("SSA Amendment 2017") (Together "SSA").

In terms of the SSA 2014, AF Holdings agreed to subscribe to 3,762 Series A fully and compulsorily convertible, non-cumulative, preference shares of the Company each having a face value of ₹ 1,000 ("**Series A CCPS**") for a consideration of ₹ 339,521,478.12. Thereafter, SSA Amendment 2015 was entered into for amendment of certain terms of the SSA. Pursuant to the SSA Amendment 2016, AF Holdings agreed to subscribe 1,294 compulsorily convertible, non – cumulative, preference shares of the Company each having a face value of ₹ 1,000 ("**Series A1 CCPS**") for a consideration of ₹ 99,999,996.50. Further, pursuant to Second SSA Amendment 2017, AF Holdings agreed to subscribe to 2,943 Series A2 full and compulsorily convertible, non-cumulative, preference shares of the Company each having a face value of ₹ 1000 ("**Series A2 CCPS**") for a consideration of ₹ 227,509,729.

Investment Agreement dated July 6, 2016 read with the addendum dated January 9, 2020 ("Addendum Agreement") between our Company, the Danish Climate Investment Fund ("DCIF"), Prayas Goel and Prerak Goel (Prayas Goel and Prerak Goel collectively referred to as "Other Shareholders")

Pursuant to the Investment Agreement dated July 6, 2016, our Company, DCIF and the Other Shareholders have agreed to invest an aggregate amount of ₹ 325,000,000 for subscribing to 159,250, 159, 250 and 65,000 equity shares amounting to 49%, 49% and 2% respectively, of the total shareholding of Roserve Enviro Private Limited. Thereafter, pursuant to the Addendum Agreement, DCIF, our Company and the Other Shareholders further agreed to invest an additional amount of ₹ 320,000,000 by subscribing to 156,800, 156,800 and 6,400 equity shares respectively amounting to 49%, 49% and 2% respectively of the total share capital of Roserve Enviro Private Limited.

Shareholders' Agreement dated October 6, 2016 between our Company, the Danish Climate Investment Fund ("DCIF"), Prayas Goel and Prerak Goel (Prayas Goel and Prerak Goel collectively referred to as "Other Shareholders") and Roserve Enviro Private Limited ("Roserve SHA")

The Roserve SHA was entered into pursuant to the Investment Agreement dated July 6, 2016 between our Company, DCIF and the Other Shareholders pursuant to their investment of ₹ 325,000,000 into Roserve Enviro Private Limited. DCIF, our Company and Other Shareholders have entered into the Roserve SHA to govern their shareholding with respect to the investment made in Roserve Enviro Private Limited. The Roserve SHA provides for certain rights and obligations such as a (i) right to nominate director on the board of Roserve Enviro Private Limited, (ii) right of first refusal, (iii) tag along right, and (iv) drag along right.

Shareholders' agreement dated December 1, 2021 entered between Concord Enviro FZE and Heinzl Holding UG ("WHE SHA")

Concord Enviro FZE and Heinzl Holding UG (collectively, the "**Parties**"), entered into the WHE SHA to govern the rights and obligations of the Parties and the management and control of the affairs of WHE Systems FZC ("**WHE Systems**"), with respect to their investment in WHE Systems having issued share capital of 150,000 AED divided into 100 equity shares and each of the Parties holding 50% of the share capital of WHE Systems. WHE SHA provided certain rights and obligations vis-à-vis WHE Systems and its shareholders such as (i) pre – emptive rights, (ii) right of the Parties to appoint one director each on the board of WHE Systems, (iii) right of first refusal and (iv) tag along rights.

Agreements entered into by Key Managerial Personnel, Directors, Promoters or any other employees

None of our Promoters nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Inter-se Agreements between Shareholders

Except as disclosed above under "*Details of Shareholders' Agreements*", as on the date of this Draft Red Herring Prospectus, our Company, Promoters and shareholders do not have any inter-se agreements/ arrangements and clauses / covenants which are material in nature and that there are no clauses / covenants which are adverse / pre-judicial to the interest of the minority / public shareholders. There are no other agreements, deed of assignments, acquisition agreements, Shareholders' Agreement, inter-se agreements, agreements of like nature other than disclosed in this Draft Red Herring Prospectus.

Other agreements

Except as disclosed in "*History and certain corporate matters - Details of shareholders' agreements"* at page 183, our Company has not entered into any other subsisting material agreement, including with strategic partners, joint venture partners, and/or financial partners, other than in the ordinary course of business.

Guarantees given by our Promoters offering their Equity Shares in the Offer

Except as stated below, our Promoters (who are also our Selling Shareholders) have not provided guarantees to any third parties as on the date of this Draft Red Herring Prospectus. For further details, see "*Financial Indebtedness - Security"* on page 352.

Details of guarantee	Reason	Amount (in million)	Obligations as on our Company	Period of guarantee	Financial implications in case of default	Security available	Consideration
Personal Guarantee by Prayas Goel and Prerak Goel	Working capital loan availed from ICICI Bank	275.00	Company to guarantee debt obligation of its subsidiary RSSPL	On demand / Sanction is renewed every year	Guarantee will be invoked by the respective lenders	Nil	Nil
	Working capital loan availed from IDFC First Bank	250.00	Company to guarantee debt obligation of its subsidiary RSSPL	On demand / Sanction is renewed every year			
	Working capital loan availed from Standard Chartered Bank	250.00	Company to guarantee debt obligation of its subsidiary RSSPL	On demand / Sanction is renewed every year			
	Working capital loan availed from Bank of India	255.00	Company to guarantee debt obligation of its subsidiary RSSPL	On demand / Sanction is renewed every year			
	Working capital loan availed from IndusInd Bank	250.00	Company to guarantee debt obligation of its subsidiary RSSPL	On demand / Sanction is renewed every year			
	Covid loan availed from Bank of India	23.50	Company to guarantee debt obligation of its subsidiary RSSPL	June 30, 2022			
	Loan availed for capital expenditure from Siemens	358.40	Company to guarantee debt obligation of its subsidiary RSSPL	September 2017 to September 2026			

Details of guarantee	Reason	Amount (in million)	Obligations as on our Company	Period of guarantee	Financial implications in case of default	Security available	Consideration
	Financial Services Private Limited		and joint venture Roserve				
	Working capital & Term loan availed from Aditya Birla Finance Ltd.	120.00	Company to guarantee debt obligation of its subsidiary RSSPL and group company Concord Shipping	January 1, 2026			
	Term loan availed from AF Holdings	232.64	Company to guarantee debt obligation of its subsidiary BWT	Until loan repaid			
	ECB availed from CDC Group PLC for capital expenditure and investment in subsidiary	700	Company has guaranteed debt obligation of its joint venture Roserve Enviro Pvt. Ltd	May 31, 2028			
Personal guarantee by Prerak Goel	Working capital loan availed from National Bank of Fujirah	179.49	Company to guarantee debt obligation of its subsidiaries CEF and BWT	On demand	Guarantee will be revoked by the lender	**Nil**	Nil
	Term loan availed from Aditya Birla Finance Limited	43.40	Nil	January 15, 2025			

Notes:

(1) Assuming conversion rate is ₹ 21.12 per 1 AED to INR is 21.1163.

(2) Assuming conversion rate is ₹ 77.55 per 1 USD.

(3) *Assuming conversion rate is ₹ 83.49 per EURO.*

Our holding Company

Our Company does not have a holding company.

Our subsidiaries and joint ventures

As on the date of this Draft Red Herring Prospectus, our Company (i) has six Subsidiaries, including four direct subsidiaries (out of which two are Material Subsidiaries) and two indirect subsidiaries (out of which one is a Material Subsidiary), and three Joint Ventures, and (ii) does not have any associates. For details, see "*Our Subsidiaries, and Joint Ventures"* on page 187.

OUR SUBSIDIARIES AND JOINT VENTURES

As on the date of this Draft Red Herring Prospectus, our Company has six Subsidiaries, including four direct (out of which two are Material Subsidiaries) and two indirect Subsidiaries (out of which one is a Material Subsidiary), and three Joint Ventures.

Our Subsidiaries

Direct Subsidiaries

1. Rochem Separation Systems (India) Private Limited ("RSSPL")

Corporate Information

RSSPL was incorporated as a private limited company under the Companies Act, 1956 as '*Rochem Dyechem (India) Private Limited*', pursuant to a certificate of incorporation dated November 19, 1991, issued by the RoC. Its name was subsequently changed from '*Rochem Dyechem (India) Private Limited*' to '*Rochem Separation Systems (India) Private Limited*' on October 13, 1992 and a fresh certificate of incorporation was issued by the RoC. Its CIN is U24100MH1991PTC064068. Its registered office is situated at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India.

Nature of Business

RSSPL is engaged in the business of manufacturing, producing, selling, importing, exporting, supplying, processing and dealing in chemicals, oil and water-based chemicals, fine chemicals, lubricants, pigments, colours and detergents.

Capital Structure

Authorised share capital	**Aggregate Nominal Value (in ₹)**
150,000 Equity shares of ₹100/- each	48,000,000
325,000 4.5% Redeemable Cumulative Preference Shares of ₹ 100/- each	
5,000 0.001% Optionally Convertible Redeemable Preference Share of ₹ 100/- each	
Issued, subscribed and paid up capital	
50,003 Equity shares of ₹ 100/- each	5,400,300
4,000 0.001% Optionally Convertible Redeemable Preference Shares of ₹ 100/- each	

Shareholding Pattern

The following table sets forth the details of the shareholding of RSSPL**.**

Sr. No.	**Name of the shareholder**	**Number of Equity shares of face value of ₹ 100/- each**	**Percentage of total Equity Share holding (%)**
Equity Share Capital			
1.	Company	50,002	99.99
2.	Namrata Goel (Nominee Shareholder on behalf of Concord Enviro Systems Limited)	01	0.01
	Total	**50,003**	**100.00**

Sr. No.	**Name of the shareholder**	**Number of Preference shares of face value ₹ 100/- each**	**Percentage of total Preference Share holding (%)**
Preference share capital			
1.	Company	4,000	100.00
	Total	4,000	**100.00**

2. Rochem Services Private Limited ("RSPL")

Corporate Information

RSPL was incorporated as a private limited company under the Companies Act, 1956 as '*Concord Blue Gases Private Limited*' pursuant to a certificate of incorporation dated February 5, 2009 issued by the RoC. Its name was changed

from '*Concord Blue Gases Private Limited*', to '*Concord Blue Technology Private Limited*' on May 7, 2009 and thereafter from '*Concord Blue Technology Private Limited*' to '*Rochem Services Private Limited*' on April 20, 2021 and a fresh certificate of incorporation was issued by the RoC. Its CIN is U40200MH2009PTC190132. Its registered office is situated at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India.

Nature of Business

RSPL is engaged in the business of converting waste products into energy products by use of blue flame/ gas technology and providing services ancillary to the treatment of waste water by means of physical, chemical or by biological processes.

Capital Structure

Authorised share capital	Aggregate Nominal Value (in ₹)
20,000 Equity shares of ₹100/- each 3,25,000 4.5% Redeemable Cumulative Preference Shares of ₹ 100/- each 5,000 0.001% Optionally Convertible Redeemable Preference Share of ₹ 100/- each	35,000,000
Issued, subscribed and paid up capital	
20,000 Equity shares of ₹ 100/- each 3,25,000 4.5% Redeemable Cumulative Preference Shares of ₹ 100/- each 4,000 0.001% Optionally Convertible Redeemable Preference Shares of ₹ 100/- each	34,900,000

Shareholding Pattern

The following table sets forth the details of the shareholding of RSPL:

Sr. No.	Name of the shareholder	Number of Equity shares of face value of ₹ 100/- each	Percentage of total Equity Share holding (%)
Equity share capital			
1.	Company	19,999	99.99
2.	Prerak Goel (Nominee Shareholder on behalf of Concord Enviro Systems Limited)	01	0.01
	Total	**20,000**	**100.00**

Sr. No.	Name of the shareholder	Number of Preference shares of face value of ₹ 100/- each	Percentage of total Preference Share holding (%)
Preference share capital			
1.	Company	3,29,000	100.00
	Total	3,29,000	**100.00**

3. Reva Enviro Systems Private Limited ("RESPL")

Corporate Information

RESPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated October 18, 1984, issued by the RoC. Its CIN is U74999MH1984PTC034303. Its registered office is situated at 101, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai- 400051, Maharashtra, India.

Nature of Business

RESPL is engaged in the business as manufacturers, producers or operators and purchasers, suppliers, agents, dealers, traders, designers and processors of partial or total systems, equipment, components and item related to the managing of the global environment, pollution, energy, urbanization, natural or scarce resources, and biotechnology in India and elsewhere in the world.

Capital Structure

Authorised capital	Aggregate Nominal Value (in ₹)
50,000 equity shares of ₹ 100 each	5,000,000
Issued, subscribed and paid-up capital	
50,000 equity shares of ₹ 100 each	5,000,000

Shareholding Pattern

The following table sets forth the details of the shareholding of RESPL:

Sr. No.	Name of the shareholder	Number of Equity shares of face value of ₹ 100/- each	Percentage of total Equity Share holding (%)
1.	Company	49,999	99.99
2.	Namrata Goel (Nominee Shareholder on behalf of the Company)	01	0.01
	Total	**50,000**	**100.00**

4. Concord Enviro FZE ("CEF")

Corporate Information

Concord Enviro (FZE) was incorporated on November 25, 2009 and is validly existing with good standing under the laws of SAIF-Zone and registered with SAIF-Zone Authority as a private free zone establishment established pursuant to the provisions of the Implementation Procedures of the Free Zone Company issued by SAIF-Zone Authority having registration number 07061 (commercial license) and number 14072 (industrial license). Its registered office is situated at Warehouse P6-037, SAIF-Zone, Sharjah, United Arab Emirates.

Nature of Business

CEF is engaged in the business of water treatment related activities. The object of CEF is to establish an establishment at SAIF-Zone and carry on the manufacturing, general trading, export/import and/ or related activities as authorized under the objects and power clause of its memorandum and articles of association.

Capital Structure

The authorized, issued, and subscribed share capital is AED 1,50,000 divided into 1 ordinary share of AED 1,50,000 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of Concord Enviro (FZE):

Sr. No.	Name of the shareholder	Number of ordinary shares of face value of AED 1,50,000 each	Percentage of total shareholding (%)
1.	Company	1	100.00
	Total	1	**100.00**

Indirect Subsidiaries

5. Blue Water Trading and Treatment FZE ("BWT")

Corporate Information

Blue Water Trading & Treatment (FZE) was incorporated on July 3, 2006 and is validly existing with good standing under the laws of SAIF-Zone and registered with SAIF-Zone Authority as a private free zone establishment established pursuant to the provisions of the Implementation Procedures of the Free Zone Company issued by SAIF Zone Authority having registration number 04119 (commercial license) and number 04769 (industrial license). Its registered office is situated at Warehouse P6-052, Warehouse P6-051, SAIF-Zone, Sharjah, United Arab Emirates

Nature of Business

BWT is engaged in the business of water treatment related activities and manufacturing water filters. The object of BWT is to establish an establishment at SAIF-Zone and carry on the manufacturing, general trading, export/import and/ or related activities as authorized under the objects and power clause of its memorandum and articles of association.

Capital Structure

The authorized, issued, and subscribed share capital is AED 150,000 divided into 1 ordinary share of AED 150,000 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of BWT:

Sr. No.	Name of the shareholder	Number of ordinary shares of face value AED 1,50,000 each	Percentage of total shareholding (%)
1.	Concord Enviro FZE	1	100.00
	Total	1	**100.00**

6. Concord Enviro SA De.C.V., Mexico ("CES")

Corporate Information

Concord Enviro S.A.De.C.V was incorporated as a Variable Capital Stock Corporation (Sociedad Anonima de Capital Variable) established pursuant to the General Law of Commercial Companies registered with the Commercial Register of Mexico City under commercial file number 393834 for a duration of 99 year through incorporation deed no. 56,109 dated January 23, 2009. Its registered office is situated at Monte Libano No. 235, Piso 2 Col. Lomas de Chapultepec, Del. Miguel Hidalgo Mexico City, C.P. 11000.

Nature of Business

CES is engaged in the business and to apply knowledge to the design, development, manufacturing and sales services of several technological processes of conventional systems of membrane using reversible osmosis technologies for sea water, saline water, industrial water treatment plant, waste water treatment plant and plant/systems of any other type of waste water coming from any sources as authorized by the bylaws of the charter documents.

Capital Structure

The fixed capital of CES is ***$*** 50,000 Mexican pesos divided into 50,000 shares of ***$*** 1 Mexican Pesos each.

Shareholding Pattern

The following table sets forth the details of the shareholding of CES:

Sr. No.	Name of the shareholder	Number of shares of fixed capital of par value $1 Mexican peso each	Percentage of total shareholding (%)
1.	Concord Enviro FZE	49,999	99.99
2.	Ashish Singhal	1	0.01
	Total	**50,000**	**100.00**

Our Joint Ventures

1. Roserve Enviro Private Limited ("REPL")

Corporate Information

REPL was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated August 9, 2016, issued by the Deputy Registrar of Companies, Central Registration Centre. Its corporate identification number is U74999DL2016PTC304156. Its registered office is situated at BL 28 Shalimar Bagh, New Delhi, - 110088, New Delhi, India.

Nature of Business

REPL is authorised by its memorandum of association to carry on business of owning and providing on rent/ lease all kinds of reserve osmosis plants and allied equipments, machinery, plants, and other plants. The Company also carries on the business of buying, selling, reselling, reverse osmosis plants and allied equipment, machinery, plants, and other equipment used in waste and water management, environment, and clean technologies.

Capital Structure

The details of the capital structure of REPL are as follows:

Particulars	Aggregate Nominal Value (in ₹)
Authorised share capital	
436,000 equity shares of ₹ 100 each	43,600,000
Issued, subscribed and paid-up capital	
425,316 equity shares of ₹ 100 each	42,531,600

Shareholding Pattern

The following table sets forth the details of the shareholding of REPL:

Sr. No.	Name of the shareholder	Number of Equity shares of face value of ₹ 100 each	Percentage of total Equity share holding (%)
1.	Company	2,08,312	48.98
2.	Danish Climate Investment Fund I K/S	2,08,312	48.98
3.	M-Power International Finance Limited	7,692	1.81
4.	Prayas Goel	500	0.12
5.	Prerak Goel	500	0.12
	Total	**4,25,316**	**100.00**

2. Roserve Enviro (FZE) ("REF")

Corporate Information

REF was incorporated as a limited liability establishment pursuant to a certificate of incorporation dated December 25, 2019 issued by the Government of Sharjah. Its registered office is situated at P.O Box: 123685, SAIF Zone, Sharjah, U.A.E. Its registration number is 11441.

Nature of Business

REF is engaged in the business of establishing an establishment at SAIF-Zone and carry on the manufacturing, general trading, export/import and/ or related activities, as authorized under the objects and power clause of its memorandum and articles of association.

Capital Structure

The authorized, issued, and fully paid-up share capital is AED 150,000 divided into 1 ordinary share of AED 150,000 each.

Shareholding Pattern

The following table sets forth the details of the shareholding of REF:

Sr. No.	Name of the shareholder	Number of ordinary shares of face value of AED 150,000 each	Percentage of total shareholding (%)
1.	Roserve Enviro Private Limited	1	100.00
	Total	**1**	**100.00**

3. WHE Systems FZC

Corporate Information

WHE Systems (FZC) was incorporated on December 21, 2020 and is registered with Sharjah Airport International Free Zone (SAIF - Zone) authority as a private company established pursuant to the provisions of the Implementation

Procedures of the Free Zone Company issued by SAIF-Zone Authority. Its registration number is 21964. Its registered office is situated at 400 M2 Warehouse P6-053 Sharjah - U.A.E.

Nature of Business

WHE Systems (FZC) is engaged in the business of as per the SAIF-Zone valid license(s) and all the other accessories and activities as are incidental and related or necessary to the aforesaid business, as authorized under the objects clause of its memorandum of association.

Capital Structure

The authorized, issued, and full paid-up share capital is AED 1,50,000 divided into 100 ordinary shares of AED 1,500 each**.**

Shareholding Pattern

The following table sets forth the details of the shareholding of WHE Systems (FZC):

Sr. No.	Name of the shareholder	Number of ordinary shares of face value of AED 1,500 each	Percentage of total shareholding (%)
1.	Concord Enviro FZE	50	50.00
2.	Heinzl Holding UG	50	50.00
	Total	**100**	**100.00**

Other confirmations

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries and our Joint Ventures which are not accounted for by the Company.

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad, nor have any of the securities of our Subsidiaries been refused listing during the last 10 years by any stock exchange in India or abroad, or failed to meet the listing requirements of any stock exchange in India or abroad.

Business interests of our Subsidiaries in the Company

Our Subsidiaries do not have any interest in our Company's business, other than as stated in "*Our Business*", "*History and Other Corporate Matters*", "*Objects of the Offer*", "*Financial Information*" and "*Related Party Transactions*", on pages 154, 181, 88, 215 and 296, respectively.

Common pursuits

Based on the business activities undertaken by our Subsidiaries, and Joint Ventures there are no common pursuits amongst our Subsidiaries, and Joint Ventures and our Company. Other than the transactions disclosed in the section "*Financial Information*" and "*Related Party Transactions*" on pages 215 and 296, respectively, there are no other business transactions between our Company and Subsidiaries, and Joint Ventures which are significant to the financial performance of our Company.

Further, our Subsidiaries, and Joint Ventures do not compete with our Company and, accordingly, there is no conflict of interest. Further, our Company and our Subsidiaries, and Joint Ventures will adopt the necessary procedures and practices, as permitted by law, to address any conflict situation as and when they arise.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act and our Articles of Association, as applicable, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors, including two Executive Directors (including our Chairman and Managing Director), one Non-Executive Nominee Director nominated by AF Holdings, and three Independent Directors. One Independent Director on our Board is a woman.

The following table sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus:

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
1.	**Prayas Goel** ***Designation***: Chairman and Managing Director ***Address:*** 1101, Eben- Ezer Tagore Road, Santacruz West, Mumbai 400 054, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** May 7, 1977 ***Nationality:*** Indian ***Current Term:*** 3 years with effect from October 1, 2019 (*not liable to retire by rotation*) ***Period of Directorship:*** Director since May 5, 2009 ***DIN:*** 00348519	45	• Concord Shipping Private Limited • Reva Enviro Systems Private Limited • Rochem (India) Private Limited • Rochem Separation Systems (India) Private Limited • Rochem Services Private Limited (*formerly known as Concord Blue Technology Private. Limited*) • Rochem Green Energy Private Limited • RGE Pune Waste Processing Private Limited • Rochem Technical Services Private Limited (*formerly known as Rochem Manpower Services (India) Private. Limited*)
2.	**Prerak Goel** ***Designation:*** Executive Director ***Address:*** 1001, Eben- Ezer Tagore Road, Santacruz West, Mumbai 400 054, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** September 11, 1979 ***Nationality:*** Indian ***Current Term:*** 3 years with effect from October 1, 2019 (*liable to retire by rotation*) ***Period of Directorship:*** Director since August 10, 2009 ***DIN:*** 00348563	42	• Concord Shipping Private Limited • Reva Enviro Systems Private Limited • Rochem (India) Private Limited • Rochem Separation Systems (India) Private Limited • Rochem Services Private Limited (*formerly known as Concord Blue Technology Private. Limited*) • Rochem Green Energy Private Limited • RGE Pune Waste Processing Private Limited • Rochem Technical Services Private Limited (*formerly known as Rochem Manpower Services (India) Private. Limited*)

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
3.	Shiraz Homi Bugwadia ***Designation:*** Independent Director ***Address:*** 13, Deepali, St. Cyril Road, Bandra West, Mumbai- 400 050, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** April 1, 1976 ***Nationality:*** Indian ***Current Term:*** 5 years with effect from June 20, 2022 ***Period of Directorship:*** Since June 20, 2022 ***DIN:*** 01213884	46	• Bazaar Retail Private Limited • Cilicant Private Limited • O3 Alternatives Private Limited • O3 Bhuvi Advisors Private Limited • O3 Capital Global Advisory Private Limited • O3 Finance Private Limited • O3 Securities Private Limited • Transasia Bio-Medicals Limited
4.	Prakash Dharshibhai Shah ***Designation:*** Independent Director ***Address:*** 503A, Mithila Apartment, S V Road, Kandivali West, Mumbai, - 400 067, Maharashtra, India ***Occupation:*** Advocate and Solicitor ***Date of birth:*** April 7, 1954 ***Nationality:*** Indian ***Current Term:*** 5 years with effect from May 25, 2022 ***Period of Directorship:*** Since May 25, 2022 ***DIN:*** 00286277	68	Vinyl Chemicals (India) Limited
5.	Rajesh R. Pai* ***Designation:*** Non-Executive Nominee Director ***Address:*** C – 22, Mangirish Society, L. J. Road, Mahim, Mumbai – 400016, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** September 24, 1971 ***Nationality:*** Indian ***Current Term:*** Liable to retire by rotation ***Period of Directorship:*** Since August 8, 2015 ***DIN:*** 02930658	50	S.S Supply Chain Solutions Private Limited

Sl. No.	Name, designation, address, occupation, date of birth, period of directorship, term and DIN	Age (years)	Directorships in other companies
6.	Kamal Sandeep Shanbhag ***Designation:*** Independent Director ***Address:*** Rustomjee Seasons B-801, MIG CHS IV Ltd, Near MMRDA Office, Gandhi Nagar Bandra East, Mumbai- 400 051, Maharashtra, India ***Occupation:*** Business ***Date of birth:*** June 25, 1968 ***Nationality:*** Indian ***Current Term:*** 5 years with effect from May 25, 2022 ***Period of Directorship:*** Since May 25, 2022 ***DIN:*** 09578441	54	• Rochem Separation Systems (India) Private Limited • Concord Enviro FZE • Blue Water Trading and Treatment FZE

* *Non-Executive Nominee Director appointed by AF Holdings.*

Brief Biographies of Directors

Prayas Goel is the Chairman and Managing Director of our Company. He holds a bachelor's degree in mechanical engineering from University of Mumbai. He has over 23 years of experience in organizational strategy, business process re-engineering and envisioning future technology and leading innovation. He has been associated with our Subsidiary, Rochem Separation Systems (India) Private Limited since June 1, 1998 and our Company since May 5, 2009.

Prerak Goel is the Executive Director of our Company. He holds a bachelor's degree in commerce from University of Mumbai and a master's degree in business management from Asian Institute of Management. He has over 19 years of experience in organizational strategy, financial strategy and management, fund raising and investor management and international sales. He has been associated with our Subsidiary, Rochem Separation Systems (India) Private Limited since June 1, 2003 and our Company since August 10, 2009.

Shiraz Homi Bugwadia is the Independent Director of our Company. He holds a bachelor's degree in chemical engineering from University of Mumbai and a master's degree in business administration from University of Melbourne. He is the director of O3 Capital Global Advisory Limited and has over 14 years of experience. He has been associated with our Company since June 20, 2022.

Prakash Dharshibhai Shah is the Independent Director of our Company. He holds a bachelor's degree in law from the University of Mumbai. He is a solicitor and advocate practicing in Mumbai and has several years of experience. He has been associated with our Company since May 25, 2022.

Rajesh R. Pai is the Non- Executive Nominee Director of our Company nominated by AF Holdings. He holds a bachelor's degree in computer engineering from University of Mumbai, a master's degree in computer science from Arizona State University and a master's degree in business administration from the University of Chicago. He has several years of experience in private equity. He has been associated with our Company since August 8, 2015.

Kamal Sandeep Shanbhag is an Independent Director of our Company. She is a chartered accountant from the Institute of Chartered Accountants of India. She is currently associated with Wonderland Investment Consultants since the past three years. Prior to joining our Company, she was associated with J M Financial & Investment Consultancy Services Limited, Reliance Industries Limited and Citi Bank N.A. She has over 27 years of experience in financial advisory and consultancy services. She has been associated with our Company since May 25, 2022.

Arrangement or understanding with major shareholders, customers, suppliers or others

Except for Rajesh R. Pai, who is the Non- Executive Nominee Director appointed by AF Holdings, none of our current Directors have been appointed to our Board pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others.

Details regarding directorships of our Directors in listed companies

None of our Directors is or was, during the last five years preceding the date of this Draft Red Herring Prospectus, a director of any listed company whose shares have been or were suspended from being traded on the stock exchanges during their tenure as a director in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange, during their tenure as a director in such company.

Confirmations

No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters or Fraudulent Borrowers as defined under the SEBI ICDR Regulations.

Terms of appointment of Directors

1. Remuneration to Executive Directors:

Prayas Goel

Prayas Goel has been a Director of our Company since May 5, 2009. Thereafter, pursuant to a resolution passed by the Board on November 30, 2009, he was designated as Managing Director of our Company. Further pursuant to a resolution passed by our board on June 21, 2022, he was designated as the Chairman of our Company. Pursuant to a Board and Shareholders' resolution each dated September 26, 2019, and extension of employment agreement dated October 1, 2019, Prayas Goel was re-appointed as the Managing Director of the Company for a period of three years with effect from October 1, 2019,

Pursuant to the resolution passed by the Board and the shareholders on September 26, 2019, Prayas Goel is entitled to the following remuneration and other employee benefits:

- Basic salary amounting to ₹ 0.05 million, per month;
- House rent allowance to ₹ 0. 025 million, per month;
- Medical allowance amounting to ₹ 0.01 million, per month;
- Conveyance allowance amounting to ₹ 0.01 million, per month;
- Other allowances amounting to ₹0.005 million, per month;

In Fiscal 2022, our Company did not pay any remuneration to Mr. Prayas Goel. He received an aggregate compensation of ₹ 19.24 million from our Subsidiary Rochem Separation Systems (India) Private limited in Fiscal 2022

Prerak Goel

Prerak Goel has been an Executive Director of our Company since August 10, 2009. Pursuant to a Board and Shareholders' resolution each dated September 26, 2019, and extension of employment agreement dated October 1, 2019, he was re-appointed as the Executive Director of the Company for a period of three years with effect from October 1, 2019 and is entitled to the following remuneration and other employee benefits:

- Basic salary amounting to ₹ 0.05 million, per month;
- House rent allowance to ₹ 0. 025 million, per month;
- Medical allowance amounting to ₹ 0.01 million, per month;
- Conveyance allowance amounting to ₹ 0.01 million, per month;
- Other allowances amounting to ₹0.005 million, per month.

In Fiscal 2022, our Company did not pay any remuneration to Mr. Prerak Goel. He received an aggregate compensation of ₹ 18.54 million from our Subsidiary Rochem Separation Systems (India) Private limited in Fiscal 2022.

2. Remuneration details of Independent Directors:

Pursuant to the Board resolution dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, and June 20, 2022, each Independent Director, is entitled to receive sitting fees of ₹ 0.10 million per meeting for attending meetings of the Board and ₹ 0.05 million per meeting for attending each meeting of the board of committees thereof, apart from reimbursement of travel and other incidental expenses being incurred by such independent directors. Details of the sitting fees paid to the Independent Directors of our Company for the Financial Year 2022 are as follows:

Sl. No.	Name of Director	Sitting Fees (in ₹ million)
1.	Shiraz Homi Bugwadia	Nil
2.	Prakash Dharshibhai Shah	Nil
3.	Kamal Sandeep Shanbhag	Nil

Our Non-Executive Nominee Director, Rajesh Pai is not entitled to any remuneration from our Company. Our Company did not pay any remuneration to him in Fiscal 2022.

Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold any qualification shares. The shareholding of the Directors in our Company as of the date of this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares held*
Prayas Goel	2,82,720
Prerak Goel	1,77,960

* *Excluding the Equity Shares to be allotted pursuant to the Bonus Issuance in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue. For details of shareholding assuming consummation of the aforesaid Bonus Issuance, please see "Aggregate pre-Offer shareholding of our Promoters, our Promoter Group and Selling Shareholders on page 20".*

Interest of Directors

All our Independent Directors may be deemed to be interested to the extent of sitting fees payable, if any, to them for attending meetings of our Board and committees thereof, and reimbursement of expenses available to them. Our Executive Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses payable to them as stated in "*Our Management – Terms of appointment of our Directors – Remuneration to Executive Directors*" on page 196.

Further, other than Prayas Goel and Prerak Goel, who are the Promoters of our Company, none of our Directors have any interest in the promotion or formation of our Company. The Directors may also be regarded as interested in the Equity Shares held by them or by their relatives, if any, or that may be subscribed by or allotted to them or the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoter, pursuant to this Offer. Our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Further, certain of our Directors or their relatives are also shareholders or directors on the board of certain Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, and may be deemed to be interested to the extent of the payments made by our Company to such Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, and the shareholding of such Subsidiaries, Joint Ventures and entities who are forming part of our Promoter Group, if any and dividends declared thereon.

None of our Directors have any interest in any property acquired or proposed to be acquired by our Company or transaction for acquisition of land, construction of building and supply of machinery, *etc.*

Bonus or profit-sharing plan of the Directors

None of our Directors are party to any bonus or profit-sharing plan of our Company.

Changes in the Board in the last three years

Other than as stated below, there has been no change in the Board in the three preceding years *:

Name*	Date of Change	Reason
Alipt Sharma	March 5, 2020	Appointed as Additional Director

Name*	Date of Change	Reason
Aditya Arora	January 2, 2020	Resigned as Director due to personal reasons
Alipt Sharma	August 17, 2020	Resigned as Director due to personal reasons
Abhishek Loonker	August 18, 2020	Appointed as Nominee Director
Abhishek Loonker	June 13, 2022	Resigned as Director due to personal reasons
Prakash Dharshibhai Shah	May 25, 2022	Appointed as Independent Director
Kamal Sandeep Shanbhag	May 25, 2022	Appointed as Independent Director
Shiraz Homi Bugwadia	June 20, 2022	Appointed as Independent Director

* *Changes to the designation and re-designation of existing directors has not been included in the table above.*

Borrowing Powers of Board

In accordance with the Articles of Association and applicable provisions of the Companies Act, 2013, and pursuant to the board resolution dated June 21, 2022, the Board may borrow money for and on behalf of the Company, from time to time as deemed by it to be requisite and proper for the business of the Company, notwithstanding that the money to be borrowed, together with money already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) shall not exceed ₹100 million in excess of the aggregate of the paid up share capital of the Company and its free reserves as per its latest annual audited financial statements.

Remuneration paid or payable by our Subsidiaries to Directors

There is no remuneration paid or payable by our Subsidiaries to our Directors during Fiscal 2022, other than as stated below:

(i) ₹ 19.24 million paid to Prayas Goel by Rochem Separation Systems Private Limited;

(ii) ₹ 18.54 million paid to Prerak Goel by Rochem Separation Systems Private Limited;

Corporate Governance

The corporate governance provisions of the SEBI Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof, as applicable. The corporate governance framework is based on an effective independent Board and constitution of the Board committees, as required under law. As on the date of this Draft Red Herring Prospectus, our Board comprises six Directors, including two Executive Directors (including our Chairman and Managing Director), one Non-Executive Nominee Director nominated by AF Holdings and three Independent Directors. One Director on our Board is a woman

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board committees:

i. Audit Committee;

ii. Nomination and Remuneration Committee;

iii. Stakeholders' Relationship Committee;

iv. Risk Management Committee.

In terms of the criteria set out under Section 135 of the Companies Act, 2013, our Company is not required to constitute a corporate social responsibility committee, as on the date of this Draft Red Herring Prospectus.

Committees of the Board

Audit Committee

The members of the Audit Committee are:

1. Kamal Sandeep Shanbhag – Chairman

2. Prerak Goel – Member

3. Prakash Dharshibhai Shah – Member

4. Shiraz Homi Bugwadia- Member

The Audit Committee was -constituted on June 21, 2022. The scope and function of the Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference are as follows:

(a) overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

(b) recommending to the Board the appointment, re-appointment, re- placement, remuneration and terms of appointment, performance and oversight of work of the internal auditor, cost auditor and statutory auditor of the Company;

(c) reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

(d) Examination of the financial statements, financial reporting, statement of cashflow, auditors report thereon and also the disclosure process to keep the figures confidential before there presentation with the board for their approval;

(a) approving payments to statutory auditors for any other services rendered by the statutory auditors;

(b) Examining and reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

  (i) matters required to be included in the director's responsibility statement to be included in the Board' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

  (ii) changes, if any, in accounting policies and practices and reasons for the same;

  (iii) major accounting entries involving estimates based on the exercise of judgment by management;

  (iv) significant adjustments made in the financial statements arising out of audit findings;

  (v) compliance with listing and other legal requirements relating to financial statements;

  (vi) disclosure of any related party transactions; and

  (vii) modified opinion(s) in the draft audit report.

(c) review, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(d) reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

(e) approve or any subsequent modification transactions of the Company with related parties;

(f) scrutinising of inter-corporate loans and investments;

(g) valuation of undertakings or assets of the Company, wherever it is necessary;

(h) evaluating of internal financial controls and risk management systems;

(i) reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

(j) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(k) discuss with internal auditors of any significant findings and follow up thereon;

(l) reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(m) discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(n) looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(o) reviewing the functioning of the whistle blower mechanism;

(p) approving the appointment of the chief financial officer of the Company or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;

(q) carrying out any other function as is mentioned in the terms of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority;

(r) reviewing the utilisation of loans and/or advances from/investment by the holding company in any subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments existing as per applicable law;

(s) formulating a policy on related party transactions, which shall include materiality of related party transactions;

(t) approval or any subsequent modification of transactions of the Company with related parties and omnibus approval of related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

Explanation: The term "related party transactions" shall have the same meaning as provided in clause 2(zc) of the Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013;

(u) recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;

(v) consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;

(w) to formulate, review and make recommendations to the Board to amend the terms of reference of Audit Committee from time to time;

(x) establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

The powers of the Audit Committee shall include the following:

(a) to investigate any activity within its terms of reference

(b) to seek information from any employee;

(c) to obtain outside legal or other professional advice;

(d) to secure attendance of Company personnel or outsiders with relevant expertise, if it considers necessary; and

(e) such other powers as may be prescribed under the Companies Act and the Listing Regulations

The Audit Committee shall mandatorily review the following information:

(a) management's discussion and analysis of financial condition and results of operations;

(b) management letters / letters of internal control weaknesses issued by the statutory auditors;

(c) internal audit reports relating to internal control weaknesses;

(d) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to the review of the Audit Committee; and

(e) statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and

(ii) annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice in terms of the Listing Regulations."

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Shiraz Homi Bugwadia– Chairman

2. Kamal Sandeep Shanbhag– Member

3. Rajesh R. Pai– Member

The Nomination and Remuneration Committee was constituted on June 21, 2022. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

(a) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration for the directors, key managerial personnel and other employees;

The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:

(i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;

(ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

(b) For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

(i) use the services of external agencies, if required;

(ii) consider candidates from a wide range of backgrounds, having dure regard to diversity; and

(iii) consider the time commitments of the candidates;

(c) Formulating of criteria for evaluation of independent directors and the Board;

(d) devising a policy on Board diversity;

(e) identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors for their appointment and removal and carrying out evaluations of every director's performance. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;

(f) determine whether to extend or continue the term of appointment of independent director, on the basis of the report of performance evaluation of independent directors;

(g) Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;

(h) determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;

(i) determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

(j) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(k) Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

(l) Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(i) the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(ii) the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended.

(m) Administering the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan ("**ESOP Scheme**");

(n) Performing such other activities as may be delegated by the Board and/or specified/provided under the Companies Act, the Listing Regulations or by any other regulatory authority; and

(o) recommend to the Board, all remuneration, in whatever form, payable to executive directors, senior management and other staff.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Prakash Dharshibhai Shah- Chairman

2. Prerak Goel– Member

3. Kamal Sandeep Shanbhag– Member

The Stakeholders' Relationship Committee was constituted by our Board at their meeting held on June 21, 2022. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as follows:

(a) Consider and resolve the grievances of the security holders of the Company, including complaints related to transfer/transmission of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, dematerialisation and re-materialisation of shares, non-receipt of balance sheet, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc. assisting with quarterly reporting of such complaints and formulating procedures in line with statutory guidelines to ensure speedy disposal of various requests received from shareholders;

(b) review of measures taken for effective exercise of voting rights by shareholders. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent and to recommend measures for overall improvement in the quality of investor services;

(c) review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(d) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(e) To approve, register, refuse to register transfer or transmission of shares and other securities;

(f) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

(g) Allotment and listing of shares;

(h) To authorise affixation of common seal of the Company;

(i) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

(j) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

(k) Ensure proper and timely attendance, information and redressal of investor queries and grievances;

(l) carrying out any other functions as contained in the Companies Act and/or equity listing agreements (if applicable), as and when amended from time to time; and

(m) to further delegate all or any of the power to any other employee(s) officer(s), representative(s), consultant(s) professional(s), or agent(s).

Risk Management Committee

The members of the Risk Management Committee are:

1. Prayas Goel – Chairman

2. Prerak Goel- Member

3. Shiraz Homi Bugwadia– Member

The Risk Management Committee was constituted by our Board at their meeting held on June 21, 2022. The terms of reference of the Risk Management Committee of our Company include the following:

(a) Formulating a detailed risk management policy for *inter alia* risk assessment and minimization procedures which shall include:

  (i) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly ESG related risks), information, cyber security risks or any other risks as may be determined by the committee;

  (ii) Measures for risk mitigation including systems and processes for internal control of identified risks;

  (iii) Business continuity plan;

(b) Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(c) monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems including cyber security;

(d) periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(e) to approve the process for risk identification and mitigation;

(f) to decide on risk tolerance and appetite levels, recognizing contingent risks, inherent and residual risks including for cyber security;

(g) to monitor the Company's compliance with the risk structure. Assess whether current exposure to the risks it faces is acceptable and that there is an effective remediation of non-compliance on an on-going basis;

(h) to approve major decisions affecting the risk profile or exposure and give appropriate directions;

(i) to consider the effectiveness of decision making process in crisis and emergency situations;

(j) to balance risks and opportunities;

(k) to generally, assist the Board in the execution of its responsibility for the governance of risk;

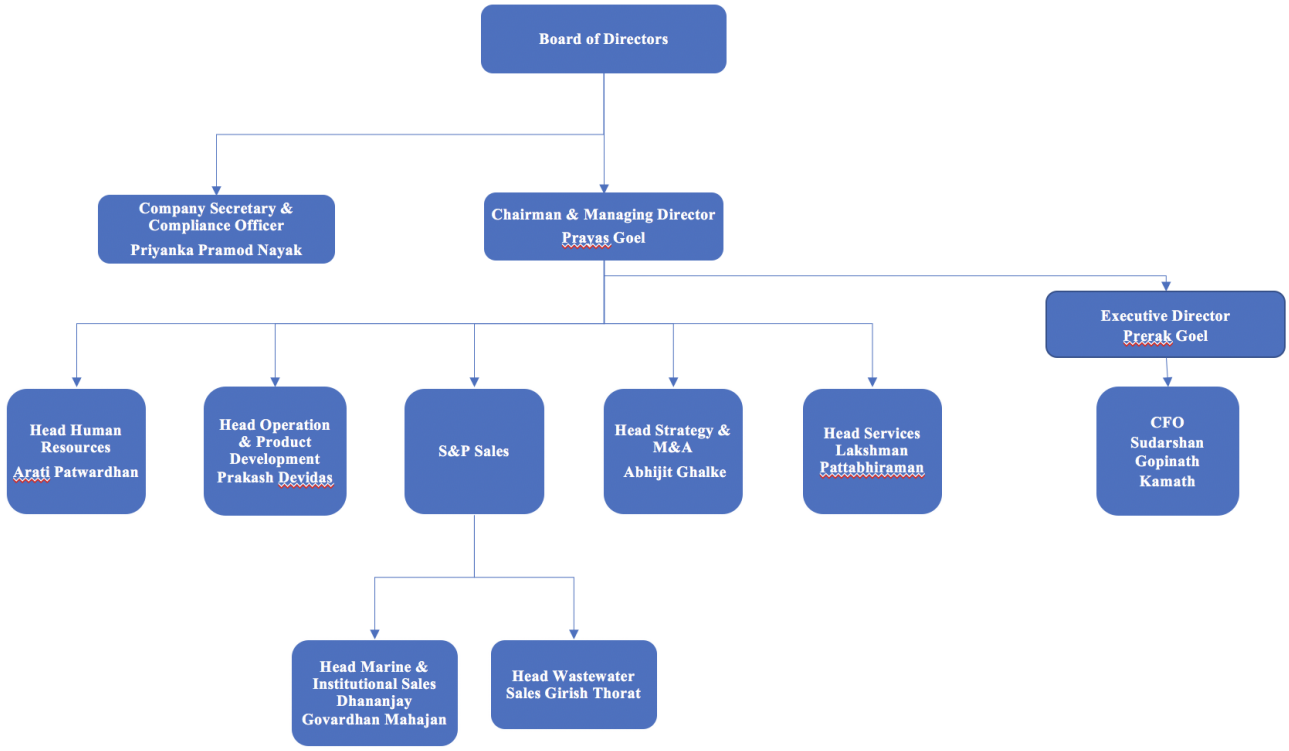
(l) keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(m) the appointment, removal and the terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;

(n) to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary; and

(o) Performing such other activities as may be delegated by the Board and/or are statutorily prescribed under any law to be attended to by the Risk Management Committee..

Management Organisation Chart



Key Managerial Personnel

For details in relation to our Chairman and Managing Director and our Executive Director, see "*Our Management- Brief Biographies of Directors"* and "*Our Management- Remuneration to Executive Directors*" on pages 193 and 196, respectively.

Abhijit Ghalke is the of Head - Strategy and M&A of our Company. He holds a bachelor's degree in engineering specialising production engineering from Regional Engineering College, Tiruchirappalli, India a master's degree in business management from Asian Institute of Management, Makati City, Republic of Philippines. Prior to joining us, he was associated with ICICI Securities Limited as vice president and with KPMG as an assistant manager in corporate finance and has an experience over of 10 years. He was associated with Rochem Separation Systems (India) Private Limited, our Subsidiary, from October 1,2015 till March 30, 2021 and has been associated with our Company since April 1, 2021. In Financial Year 2022, he was paid a remuneration of ₹ 4.55 million.

Sudarshan Gopinath Kamath is the of Chief Financial Officer of our Company. He holds a bachelor's degree in commerce from the University of Mumbai. and a post graduate diploma in business administration from Annamalai University. He is a certified chartered accountant and has passed his final examination from the Institute of Chartered Accounts of India. Prior to joining us, he was associated with Visen Industries Limited as the chief financial officer and with Philips India Limited as a manager and has an overall experience of over 7 years. He was associated with Rochem Separation Systems (India) Private Limited, our Subsidiary, since August 30, 2017 till March 30, 2022 and has been associated with our Company since April 1, 2022. In Financial Year 2022, he was paid a remuneration of ₹ 5.29 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Prakash Devidas is the Head- Operation and Product Development of our Subsidiary, Rochem Separation Systems (India) Private Limited. He holds a bachelor's degree in mechanical engineering from the Indian Navy. He has been associated with our Subsidiary, Rochem Separation Systems (India) Private Limited since November 24, 1999 and has an overall work experience of 21 years. In Financial Year 2022, he was paid a remuneration of ₹ 7.59 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Girish Thorat is the Head- Wastewater Sales of our Subsidiary, Rochem Separation Systems (India) Private Limited. He also holds a diploma in shipbuilding engineering from the Board of Technical Examinations, Maharashtra and a certificate of competency (marine engineer officer) class 4 under the Merchant Shipping (Certification of Marine Engineer Officers) Regulations 1986. Prior to joining our Subsidiary, he was associated with Bergshav, Norway as a junior engineer and with Pall India Private Limited as a national sales manager (aerospace). He was also associated with DHL Lemuir Logistics Private Limited in the corporate department and has an overall experience of over 26 years. He has been associated with Subsidiary, Rochem Separation Systems (India) Private Limited since June 7, 2011. In Financial Year 2022, he was paid a remuneration of ₹ 7.79 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Dhananjay Govardhan Mahajan is the Head- Marine and Institutional Sales of our Subsidiary, Rochem Separation Systems (India) Private Limited. He holds a bachelor's degree in engineering from University of Poona. Prior to joining our subsidiary, he was associated with the Indian Navy, Ministry of Defence and has an overall experience of over 27 years. He has been associated with our Subsidiary, Rochem Separation Systems (India) Private Limited since September 1, 1996. In Financial Year 2022, he was paid a remuneration of ₹ 4.55 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Lakshman Pattabhiraman is the Head- Services of our Subsidiary, Rochem Separation Systems (India) Private Limited. He also holds a diploma from the Institution of Engineers (India) wherein he is elected as a member and has also been elected as an associate member by the Indian Institution of Industrial Engineering. Further, he is a chartered engineer certified by the Institution of Engineers (India). He has been associated with Rochem Separation Systems (India) Private Limited since May 7, 2018 and has experience of over four years. In Financial Year 2022, he was paid a remuneration of ₹ 3.71 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Priyanka Pramod Nayak is the of Company Secretary and Compliance Officer of our Company. She holds a bachelor's degree in law and a master's degree in commerce from University of Mumbai. She is also an associate member of the Institute of Company Secretaries of India. Prior to joining us, she was associated with Play Games 24x7 Private Limited and D.A. Kamat & Co as an assistant company secretary. She has an overall experience of over 5 years. She was associated with our Subsidiary, Rochem Separation Systems (India) Private Limited from July 11, 2019 till March 31, 2022 and has been associated with our Company since April 1, 2022. In Financial Year 2022, she was paid a remuneration of ₹ 0.71 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Arati Patwardhan is the Head- Human Resource of our Subsidiary, Rochem Separation Systems (India) Private Limited. She holds a post graduate diploma in business management from Bhrati Vidhyapeeth, Navi Mumbai. Prior to joining us, she was associated with School of Light Private Limited as a director and has an overall experience of over 7 years. She has been associated with our Subsidiary since December 1, 2021. In Financial Year 2022, she was paid a remuneration of ₹ 1.51 million by our Subsidiary, Rochem Separation Systems (India) Private Limited.

Status of Key Managerial Personnel

Except for Prakash Devidas, Girish Thorat, Dhananjay Govardhan Mahajan, Lakshman Pattabhiraman and Aarti Patwardhan, who are permanent employees of our Subsidiary, Rochem Separation Systems (India) Private Limited, all our Key Managerial Personnel are permanent employees of our Company.

Relationship between our Directors and Key Managerial Personnel

Except for Prayas Goel and Prerak Goel, who are brothers, none of our Directors are related to each other or to our Key Managerial Personnel.

Relationship between our Key Managerial Personnel

Except as disclosed in "Our Management - Relationship between our Directors and Key Managerial Personnel" on this page 205, none of our Key Managerial Personnel are related to each other.

Shareholding of Key Managerial Personnel

Except as is disclosed in "*Our Management- Shareholding of Directors in our Company*" on page 197, none of our Key Managerial Personnel hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus.

Bonus or profit-sharing plans of the Key Managerial Personnel

None of our Key Managerial Personnel are party to any bonus or profit-sharing plan of our Company.

Interests of Key Managerial Personnel

Other than as disclosed in this section, "*Financial Statements – Related Party Transactions* and in "*Our Management - Interest of Directors*" on pages 296 and 197, the Key Managerial Personnel of our Company do

not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Arrangements and understanding with major shareholders, customers, suppliers or others

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel have been selected as the Key Managerial Personnel of our Company.

Service Contracts with Directors and Key Managerial Personnel

No officer of our Company, including our Directors and the Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Retirement benefits

Our Key Managerial Personnel have not entered into any service contracts with our Company which include retirement benefits. Except statutory benefits upon superannuation, none of the Key Managerial Personnel is entitled to any benefit upon superannuation.

Contingent and deferred compensation payable to our Director and Key Managerial Personnel

There is no contingent or deferred compensation accrued for Financial Year 2022 and payable to our Directors and Key Managerial Personnel, which does not form a part of their remuneration.

Payment or benefit to Key Managerial Personnel

No non – salary amount or benefit has been paid or given to any of our Key Managerial Personnel within the two preceding years or is intended to be paid or given.

Changes in the Key Managerial Personnel

Except as disclosed below and in "*Our Management- Changes in the Board in the last three years*" on page 197, there has been no change in the Key Managerial Personnel in the last three years.

Name	Date of Change	Reason
Abhijit Ghalke	April 1, 2021	Transfer from Rochem Separation Systems (India) Private Limited to our Company as Head – Strategy and M&A
Sudarshan Gopinath Kamath	May 23, 2022	Appointment as Chief Financial Officer of our Company
Priyanka Pramod Nayak	May 23, 2022	Appointment as Company Secretary and Compliance Officer of our Company
Prakash Devidas	June 16, 2022	Change in designation to Head - Operation and Product Development of Rochem Separation Systems (India) Private Limited
Girish Thorat	June 16, 2022	Change in designation to Head - Wastewater Sales of Rochem Separation Systems (India) Private Limited
Dhananjay Govardhan Mahajan	June 16, 2022	Change in designation to Head - Marine and Institutional Sales of Rochem Separation Systems (India) Private Limited
Lakshman Pattabhiraman	June 16, 2022	Change in designation to Head - Services of Rochem Separation Systems (India) Private Limited
Arati Patwardhan	June 16, 2022	Change in designation to Head- Human Resource of Rochem Separation Systems (India) Private Limited

Further, the attrition rate of Key Managerial Personnel of our Company is not high as compared to the industry.

Employee Stock Option Scheme

For details of our Company's employee stock option plan please refer to "*Capital Structure*" on page 85 of the DRHP.

OUR PROMOTERS AND PROMOTER GROUP

As on the date of this Draft Red Herring Prospectus, our Promoters collectively hold 460,680 Equity Shares (excluding Equity Shares to be acquired pursuant to the proposed Bonus Issuance) aggregating to (a) 54.13% of the issued, subscribed and paid-up Equity Share capital of our Company, and (b) 45.56 % of the issued, subscribed and paid-up Equity Share capital (on a fully diluted basis, assuming conversion of the CCPS), of our Company.

Details of our Promoters



1. Prayas Goel

Prayas Goel, aged 45 years, is one of our Promoters and is also the Chairman and Managing Director on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 195.

His permanent account number is AAKPG5038Q.



2. Prerak Goel

Prerak Goel, aged 43 years, is one of our Promoters and is also the Executive Director on our Board. For further details, *i.e.*, his date of birth, residential address, educational qualifications, professional experience, business and financial activities, special achievements, positions / posts held in the past, other directorships, and other ventures, see "*Our Management – Brief biographies of Directors*" on page 195.

His permanent account number is AAKPG8954B.

Except as stated above and below and as disclosed in *"Our Management – Board of Directors"* on page 193, the Promoters are not involved in any other venture.

Our Company confirms that the permanent account number, bank account number, passport number, Aadhar card number, and driving license number of our Promoters shall be submitted to the Stock Exchanges, at the time of filing of this Draft Red Herring Prospectus.

Change in Control of our Company

While our Promoters are not the original promoters of our Company, there has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus. For details of the build-up of the shareholding of our Promoters, please see "*Capital Structure- History of Equity Share capital build-up, contribution and lock-in of Promoters' shareholding (a) Build-up of Promoters' shareholding in our Company*" on page 81.

Interests of Promoters

Interest in the promotion of our Company

Our Promoters are interested in our Company to the extent that they are the promoters of our Company, and to the extent of their respective shareholding and directorship in our Company and our Subsidiaries, and the dividends payable, if any, and any other distribution in respect of their respective shareholding in our Company or the shareholding of their relatives in our Company. For further details, see "*Capital Structure - Details of Shareholding of our Promoters and members of the Promoter Group in our Company*", "*Our Management – Interests of Directors"* each on pages 81 and 197.

Interest in the property of our Company

Our Promoters have no interest, whether direct or indirect, in any property acquired by our Company within the preceding three years from the date of this Draft Red Herring Prospectus or proposed to be acquired by it as on the date of filing of this Draft Red Herring Prospectus.

Interest in our Company arising out of being a member of a firm or company

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to them or to such firm or company in cash or shares or otherwise by any person either to induce any of our Promoters to become, or qualify them as a director, or otherwise for services rendered by any of our Promoters or by such firm or company in connection with the promotion or formation of our Company.

Our Promoters, who are also Directors, may be deemed to be interested to the extent of their shareholding, remuneration/sitting fees and reimbursement of expenses, payable to them, if any in their capacity as Directors. For further details, see "*Our Management – Payment or benefit to Directors of our Company – Remuneration to Executive Directors*" and "*Our Management – Interests of Directors*" on pages 196 and 197, respectively.

Interest in our Company other than as Promoters

Except as mentioned in this section and sections titled "*Our Business*", "*History and Certain Corporate Matters*", "*Our Management"* and "*Financial Information*" on pages 154, 181, 193 and 215, respectively, our Promoters do not have any other interest in our Company which includes interest in any transaction in acquisition of land, construction of building and supply of machinery, etc.

Payment or benefits to Promoters or Promoter Group

Except as stated in "*Related Party Transactions*" on page 296, there have been no amounts paid or benefits paid or given by our Company to our Promoters or Promoter Group in the preceding two years nor is there any intention to pay any amount or provide any benefit to our Promoters or Promoter Group as on the date of this Draft Red Herring Prospectus.

Disassociation by our Promoters in the last three years

Our Promoters have disassociated themselves with the following companies or firms in the three years preceding the date of this Draft Red Herring Prospectus:

Name of Promoter(s)	Companies or firms with which Promoter(s) have disassociated	Reasons and circumstances for disassociation	Date of disassociation
Prayas Goel Prerak Goel	Inventa Research Private Limited	Voluntary Strike-off of the Company from the register of companies	August 17, 2021

Guarantees

Our Promoters have not given any material guarantee to any third party, in respect of the Equity Shares, as on the date of this Draft Red Herring Prospectus. For details regarding other guarantees given by our Promoters please see "*History and Certain Corporate Matters*" on page 185.

Promoter Group

In addition to our Promoters, the individuals and entities that form part of the Promoter Group of our Company in terms of the SEBI ICDR Regulations are set out below:

A. Natural persons who are a part of our Promoter Group

Name of the Promoter	Name of Relative	Relationship
Prayas Goel	Namrata Goel	Spouse
	Pushpa Goel	Mother
	Prerak Goel	Brother
	Krtin Goel	Son
	Krittika Goel	Daughter
	Yashita Goel	Daughter
	Suresh Kumar Bhatia	Father of the spouse
	Sudha Bhatia	Mother of the spouse
	Shweta Bhatia	Sister of the spouse
Prerak Goel	Nidhi Goel	Spouse
	Pushpa Goel	Mother
	Prayas Goel	Brother

Name of the Promoter	Name of Relative	Relationship
	Aninditha Goel	Daughter
	Prerna Goel	Daughter
	Dilip Podar	Father of the spouse
	Manju Podar	Mother of the spouse
	Gaurav Podar	Brother of the spouse

B. Entities which form a part of our Promoter Group

1. Blue Water Trading and Treatment (FZE)
2. Concord Shipping Private Limited
3. Concord Enviro (FZE)
4. Concord Enviro S.A. De. C.V., Mexico
5. Rochem Green Energy Private Limited
6. Early Wonders International Preschool LLP
7. Rochem (India) Private Limited
8. Rochem Technical Services Private Limited
9. Infinity Solar Power Private Limited
10. Roserve Enviro Private Limited
11. Roserve Enviro (FZE)
12. Rochem Separation Systems (India) Private Limited
13. Reva Enviro Systems Private Limited
14. Rochem Services Private Limited
15. Reine Clothing LLP
16. DKC International Solutions LLP
17. WHE Systems FZC
18. Kamlesh Kumar Goel HUF
19. Concord Shipping & Marine Services LLP
20. DKC Loading Equipment Private Limited
21. DS Podar & Sons HUF
22. SD Engineers
23. SD Podar HUF
24. DMAG International
25. DK Corporation
26. Trishul Enterprises
27. Nidhi Associates
28. Gaurav D. Podar HUF
29. NS Enterprises
30. GDS Enterprises.

OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term "group companies", includes (i) such companies (other than promoter(s) and subsidiary(ies)) with which the relevant issuer company had related party transactions, during the period for which financial information is disclosed in the offer document, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, for (i) above, all such companies (other than our Promoters and Subsidiaries) with which the Company had related party transactions during the period covered in the Restated Consolidated Financial Information included in the offer document, as covered under the applicable accounting standards, shall be considered as 'group companies' of the Company in terms of the SEBI ICDR Regulations.

Further, for (ii) above, the Board pursuant to the Materiality Policy, has determined that a company (other than the companies covered under the schedule of related party transactions as per the Restated Consolidated Financial Information included in the offer document) shall be considered "material" and will be disclosed as a 'group company' in the offer documents, if it is a member of the Promoter Group (companies) in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, and the Company has entered into one or more transactions with such company during the last completed fiscal year (and relevant stub period), which individually or cumulatively in value exceeds 10% of the revenue from operations of the Company for the last completed fiscal year as per the Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.

Accordingly, in terms of the SEBI ICDR Regulations, the following companies are considered as Group Companies, as on the date of this Draft Red Herring Prospectus.

1. Concord Shipping Private Limited
2. Rochem Green Energy Private Limited
3. Roserve Enviro Private Limited
4. Rochem India Private Limited
5. Roserve Enviro FZE
6. Infinity Solar Power Private Limited
7. AF Holdings
8. WHE Systems FZC

Details of our Group Companies

Our top five Group Companies in accordance with the SEBI ICDR Regulations, comprise of Concord Shipping Private Limited, Rochem Green Energy Private Limited, Roserve Enviro Private Limited, Rochem India Private Limited, and Roserve Enviro FZE, which are our largest unlisted Group Companies based on turnover in the last audited financial year.

Top 5 Group Companies

1. Concord Shipping Private Limited

Registered Office

The registered office of Concord Shipping Private Limited is located at 101, HDIL Towers, Anant Kanekar Road, Bandra (East) Mumbai, 400051 – Maharashtra, India.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of Concord Shipping Private Limited for the Fiscals 2021, 2020 and 2019, are available at www.concordenviro.in/financial-results/.

2. Rochem Green Energy Private Limited

Registered Office

The registered office of Rochem Green Energy Private Limited is located at 101, HDIL Towers, Anant Kanekar Road, Bandra (East) Mumbai, 400051 – Maharashtra, India.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of Rochem Green Energy Private Limited for the Fiscals 2021, 2020 and 2019, are available at www.concordenviro.in/financial-results/.

3. Roserve Enviro Private Limited

Registered Office

The registered office of Roserve Enviro Private Limited is located at BL 28 Shalimar Bagh, New Delhi, - 110088, New Delhi, India.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of Roserve Enviro Private Limited for the Fiscals 2021, 2020 and 2019, are available at www.roserve.in/financial-results/.

4. Rochem India Private Limited

Registered Office

The registered office of Rochem India Private Limited is located at 101, HDIL Towers, Anant Kanekar Road, Bandra (East) Mumbai, 400051 – Maharashtra, India.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of Rochem India Private Limited for the Fiscals 2021, 2020 and 2019, are available at www.rochemchemical.com/financial-results/.

5. Roserve Enviro FZE

Registered Office

The registered office of Roserve Enviro FZE is located at P.O. Box: 123685, SAIF Zone, Sharjah, U.A.E.

Financial Performance

In accordance with the SEBI ICDR Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, diluted earnings per share and net asset value, derived from the latest audited financial statements available on a standalone basis of Roserve Enviro FZE for the Fiscals 2021, 2020 and 2019, are available at www.concordenviro.in/financial-results/.

Other Group Companies

1. Infinity Solar Power Private Limited

Registered Office

The registered office of Infinity Solar Power Private Limited is situated at 12, Ram Janki, 356, Linking Road Khar (West) Mumbai 400052.

2. AF Holdings

Registered Office

The registered office of AF Holdings is located at Sanne House, Bank Street, TwentyEight, Cybercity, Ebene, Republic of Mauritius- 72201.

3. WHE Systems FZC

Registered Office

The registered office of WHE Systems FZC is located at 400 M2 Warehouse P6-053 Sharjah - U.A.E.

Litigation which has a material impact on our Company

There are no pending litigations involving our Group Companies which will have a material impact on our Company.

Nature and extent of interest of Group Companies

Our Group Companies do not have any interest in the promotion of our Company. However, AF Holdings is a shareholder in our Company. For further details, please see "Capital Structure" on page 77.

Our Group Companies do not have any interest, directly or indirectly, in the properties acquired by our Company in the three preceding years before the filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company.

Our Group Companies are not interested, directly or indirectly, in any transactions for acquisition of land, construction of building or supply of machinery, with our Company.

Common pursuits

There are no common pursuits amongst our Group Companies and our Company.

Related Business Transactions within the group and significance on the financial performance of our Company

Other than the transactions disclosed in the section "*Financial Information*" and "*Related Party Transaction*" on pages 215 and 296, respectively, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

Business interests or other interests

Except in the ordinary course of business and as disclosed in "*Related Party Transactions*" on page 296, our Group Companies do not have any business interest in our Company.

Other Confirmations

Our Group Companies do not have any securities listed on a stock exchange. Further, our Group Companies have not made any public or rights issue or composite issue of securities (as defined under the SEBI ICDR Regulations) in the three years preceding the date of this Draft Red Herring Prospectus.

DIVIDEND POLICY

The declaration and payment of dividends is recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013 and the Companies (Declaration and Payment of Dividends) Rules, 2014. Our Company has, by way of a resolution of the Board of Directors dated June 15, 2022, adopted a formal dividend distribution policy.

The dividend, if any, will depend on a number of internal and external factors, including but not limited to future expansion plans of the Company, including brand acquisitions, new product launches and long-term investments, net profits earned and free cash generated by the Company during the fiscal year, liquidity and applicable taxes including dividend distribution tax, if any, payable by our Company. In addition, our ability to pay dividends may be impacted by restrictive covenants under the loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see "*Financial Indebtedness*" on page 351.

Our Company has not declared any dividends on the Equity Shares during the last three Fiscals and from April 1, 2022 until the date of this Draft Red Herring Prospectus.

The amount of dividend paid in past is not necessarily indicative of the dividend policy of our Company or dividend amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid or the amount thereof will not be decreased in the future. For details, see "*Risk Factors – We cannot assure payment of dividends on the Equity Shares in the future.*" on page 51.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Concord Enviro Systems Limited
(formerly known as Concord Enviro Systems Private Limited)

Dear Sirs / Madams,

1. We have examined, as appropriate (refer paragraph 5 below), the attached Restated Consolidated Financial Information of Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) (the "Company" or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") along with its joint ventures, comprising the Restated Consolidated Statements of Assets and Liabilities as at December 31, 2021, March 31, 2021, 2020 and 2019, the Restated Consolidated Statements of Profit and Loss (including other comprehensive income), the Restated Consolidated Statements of Cash Flows, the Restated Consolidated Statements of Changes in Equity for the nine month period ended December 31, 2021 and for the years ended March 31, 2021, 2020 and 2019, the Significant Accounting Policies, and other explanatory information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 21 2022 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed Initial Public Offer of equity shares ("IPO") prepared in terms of the requirements of:

   a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");

   b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

   c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note") read with SEBI Communication as mentioned in Note 2.1 to the Restated Consolidated Financial Information (the "SEBI Communication"), as applicable.

2. The Company's Board of Directors is responsible for the preparation of the Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("**SEBI**"), BSE Limited (the "**BSE**") and National Stock Exchange of India Limited (the "**NSE**") (BSE and NSE together, the "**Stock Exchanges**") in connection with the proposed IPO. The Restated Consolidated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Note 2.1 to the Restated Consolidated Financial Information. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the respective restated financial information, which have been used for the purpose of preparation of this Restated Consolidated Financial Information by the Board of Directors of the Company, as aforesaid. The respective Board of Directors are also responsible for identifying and ensuring that the Group / company complies with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

3. We have examined such Restated Consolidated Financial Information taking into consideration:

   a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated May 06, 2022 in connection with the proposed IPO of equity shares of the Issuer;

   b) The Guidance Note read with the SEBI Communication, as applicable. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;

   c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) The requirements of Section 26 of the Act and the ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable, in connection with the IPO.

4. These Restated Consolidated Financial Information have been compiled by the management from:

a) the audited special purpose consolidated interim Ind AS financial statements of the Group and its joint ventures as at and for the nine month period ended December 31, 2021 (along with comparative audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Act read with relevant rules thereunder and the other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on June 21, 2022. The comparative information as at and for the year ended March 31, 2021 included in the Special Purpose Consolidated Interim Ind AS Financial Statements as at and for the nine month period ended December 31, 2021 have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards notified under section 133 of the Act ("Indian GAAP") (the "Statutory Consolidated Indian GAAP Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 15, 2021.

b) the special purpose consolidated Ind AS financial statements of the Group and its joint ventures as at and for the year ended March 31, 2020 (the "2020 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis described in Note 2.1 of the Restated Consolidated Financial Statements, which have been approved by the Board of Directors at their meeting held on June 21, 2022.

c) the special purpose consolidated Ind AS financial statements of the Group and its joint venture as at and for the year ended March 31, 2019 (the "2019 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis described in Note 2.1 of the Restated Consolidated Financial Statements, which have been approved by the Board of Directors at their meeting held on June 21, 2022 .

5. For the purpose of our examination, we have relied on:

a) Auditor's report issued by us dated June 29, 2022 on the Special Purpose Consolidated Interim Ind AS Financial Statements of the Group and its joint ventures as at and for the nine month period ended December 31, 2021 (along with comparative audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021) as referred to in paragraph 4(a) above.

b) Auditor's report issued by us dated June 29, 2022 on the 2020 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures as at and for the year ended March 31, 2020 as referred in paragraph 4(b) above, which included an Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.1 to the 2020 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2020 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2020 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

c) Auditor's report issued by peer reviewed Chartered Accountant (other than the previous statutory auditors of the Company) (the "Other Principal Auditor") dated June 21, 2022 on the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint venture as at and for the year ended March 31, 2019 as referred in paragraph 4(c) above, which included an Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.1 to the 2019 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the special purpose restated consolidated financial information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2019 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any other purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2019 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the special purpose restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

The statutory audit of the consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2019 prepared in accordance with the accounting standards notified under the section 133 of the Act ("Indian GAAP") (the "2019 Statutory Consolidated Indian GAAP Financial Statements"), which were approved by the Board of directors at their meeting held on September 26, 2019, was conducted by the Company's previous auditors (the "Previous Auditors"). The Previous Auditors issued report dated September 26, 2019 on the 2019 Statutory Consolidated Indian GAAP Financial Statements.

Other Principal Auditors report stated that the management of the Company informed that based on their discussions held with the Previous Auditors, the Previous Auditors indicated their inability to examine financial information as at and for the year ended March 31, 2019 due to non-availability of their team and complete the examination as per the timelines set by the Company. As a result, Other Principal Auditors were engaged by the Company to audit and examine the financial information as at and for the year ended March 31, 2019 in the capacity of peer reviewed Independent Chartered Accountants in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022.

Accordingly, the audit of the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint venture was conducted by the Other Principal Auditors. The Other Principal Auditors have examined the special purpose restated consolidated financial information as at and for the year ended March 31, 2019 in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022, and accordingly reliance has been placed on the restated consolidated statement of assets and liabilities and the restated consolidated statement of profit and loss (including other comprehensive income), statement of cash flows and statement of changes in equity, the summary statement of significant accounting policies, and other explanatory information (collectively, the "Special Purpose Restated Consolidated Financial Information") examined by the Other Principal Auditors for the said year. The examination report included for the said year is based solely on the report submitted by the Other Principal Auditors. They have also confirmed that the Special Purpose Restated Consolidated Financial Information:

i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial year ended March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2021;

ii. do not require any adjustment for modification as there is no modification in the underlying audit report as referred in paragraph 5(c) above. Auditor's report on the 2019 Statutory Consolidated Indian GAAP Financial Statements issued by Previous Auditors included certain qualifications (refer note 2.1 to the Restated Consolidated Financial Information) which have been re-assessed by the Company for the purpose of preparation of 2019 Special Purpose Consolidated Ind AS Financial Statements and necessary adjustments have been made to the 2019 Special Purpose Consolidated Ind AS Financial Statements. There are items relating to emphasis of matters (refer paragraph 5 (c) above), which do not require any adjustment to the Special Purpose Restated Consolidated Financial Information; and

iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

6. As indicated in our audit reports referred in paragraphs 5(a) and 5(b) above, we did not audit financial statements / financial information of certain subsidiaries whose share of total assets, total revenues, net cash inflows / (outflows) and Group's share in net profit / (loss) in respect of certain joint ventures included in the Special Purpose Consolidated Interim Ind AS Financial Statements and 2020 Special Purpose Consolidated Ind AS Financial Statements, is tabulated

below, which have been audited by other auditors, and whose reports have been furnished to us by the Company's management and our opinion on the Special Purpose Consolidated Interim Ind AS Financial Statements and 2020 Special Purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, is based solely on the reports of the other auditors:

Particulars	As at / for the nine month period ended December 31, 2021	As at / for the year ended March 31, 2021	As at / for the year ended March 31, 2020
Number of Subsidiaries audited by other auditors	5	5	5
Number of Joint Ventures audited by other auditors	3	2	2
Total assets (Rs in millions)	2,411.55	2,141.61	2,170.69
Total revenue (Rs in millions)	974.23	1,382.00	1,986.19
Net cash inflow / (outflows) (Rs in millions)	(21.54)	73.74	(100.63)
Group's share in profit / (loss) (Rs in millions)	7.37	6.51	(0.02)

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

These other auditors of the subsidiaries and joint ventures, as mentioned above, have examined the special purpose restated financial information of such subsidiaries and joint ventures and have confirmed that the restated financial information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the years ended March 31, 2021 and 2020 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Group as at and for the nine month period ended December 31, 2021 to the extent applicable;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

7. Based on examination report dated June 21, 2022 provided by the Other Principal Auditors, the audit report referred in Paragraph 5(c) above on the 2019 Special Purpose Consolidated Ind AS Financial Statements issued by the Other Principal Auditors included following other matters:

a) we did not audit financial statements / financial information of 5 subsidiaries and a joint venture whose share of total assets, total revenues, net cash inflows and Group's share on net profit in respect of the joint venture included in the 2019 Special Purpose Consolidated Ind AS Financial Statements, is tabulated below, which have been audited by other auditors, and whose reports have been furnished to us by the Company's management and our opinion on the 2019 Special Purpose Consolidated Ind AS Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, is based solely on the reports of the other auditors:

(Rs in millions)

Particulars	As at / for the year ended March 31, 2019
Total assets	1,508.00
Total revenue	954.79
Net cash inflow	89.74
Group's share in profit	6.35

Our opinion on the Consolidated Financial Statements is not modified in respect of this matter.

b) In respect of the entities mentioned in Paragraph 7(a) above, the respective auditors have examined the restated financial information of the respective entities included in these Special Purpose Restated Consolidated Financial Information and have confirmed that the restated financial information of the entities:

i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the year ended March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed by the Group as at and for the nine month period ended December 31, 2021 to the extent applicable;

ii. do not require any adjustment for modification as there is no modification in the underlying audit reports; and

iii. have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

8. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination reports submitted by the Other Principal Auditors / other auditors, as mentioned in paragraphs 5 and 6 above, respectively, we report that the Restated Consolidated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the nine month period ended December 31, 2021, as applicable;

b) do not require any adjustment for modification as there is no modification in the underlying audit reports referred in paragraph 5(a), (b) and (c) above. Auditor's reports on the Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 issued by us / Previous Auditors included certain qualifications (refer note 2.1 to the Restated Consolidated Financial Information) which have been re-assessed by the Company for the purpose of preparation of Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements and necessary adjustments have been made to the Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements. There are items relating to emphasis of matters (refer paragraph 5 above), which do not require any adjustment to the Restated Consolidated Financial Information; and

c) have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note read with the SEBI Communication, as applicable.

9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

10. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited Special Purpose Consolidated Interim Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements, 2019 Special Purpose Consolidated Ind AS Financial Statements and Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 mentioned in paragraph 5 above (except as described in Note 2.1 of the Restated Consolidated Financial Information).

11. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, the Previous Auditors and / or the Other Principal Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Manoj H. Dama
(Partner)
(Membership No. 107723)
UDIN: 22107723ALXBCU4196

Place: Mumbai
Date: June 29, 2022

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599
Restated Consolidated Financial Information

Restated Consolidated Statements of Assets and Liabilities
(Amount in millions, unless otherwise stated)

	Particulars	Note no.	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
	ASSETS					
A	**Non-current assets**					
	a) Property, plant and equipment	4	641.61	693.74	536.73	459.90
	b) Right of use assets	7	544.86	629.41	454.70	320.45
	c) Capital work in Progress	6	106.18	82.41	48.20	34.86
	d) Intangible assets	5	255.15	37.95	8.89	14.00
	e) Intangible assets under development	6	2.24	2.24	2.24	3.20
	f) Financial assets					
	i) Investments					
	(a) Investments accounted for using equity method	8(A)	209.83	200.64	194.63	131.97
	(b) Other investments	8(B)	2.95	2.25	1.72	1.72
	ii) Other financial assets	9	109.32	104.27	69.35	47.50
	g) Deferred tax assets (net)	10	66.34	48.57	43.22	37.17
	h) Current tax assets (net)	11	11.01	3.68	2.60	2.25
	i) Other Non Current assets	12	52.03	47.66	207.63	236.85
	(A)		**2,001.52**	**1,852.82**	**1,569.91**	**1,289.87**
B	**Current assets**					
	a) Inventories	13	1,407.87	1,177.38	1,579.04	1,215.23
	b) Financial assets					
	i) Trade receivables	14	1,094.12	1,520.96	1,484.07	1,268.30
	ii) Cash and cash equivalents	15	84.20	104.26	31.51	15.32
	iii) Bank balances other than (ii) above	16	95.32	98.76	93.30	178.88
	iv) Loans	17	11.25	10.61	0.45	0.41
	v) Other financial assets	18	24.11	22.95	30.05	34.08
	c) Other Current assets	19	446.30	391.97	418.46	129.98
	(B)		**3,163.17**	**3,326.89**	**3,636.88**	**2,842.20**
	TOTAL (A + B)		**5,164.69**	**5,179.71**	**5,206.79**	**4,132.07**
	EQUITY AND LIABILITIES					
A	**Equity**					
	a) Equity share capital	20	4.26	3.08	3.08	3.08
	b) Other equity	21	2,533.64	(110.08)	(204.95)	(353.32)
	Total Equity **(A)**		**2,537.90**	**(107.00)**	**(201.87)**	**(350.24)**
	Liabilities					
B	**Non-current liabilities**					
	a) Financial liabilities					
	i) Borrowings	22	404.59	315.10	50.72	2,349.39
	ii) Lease liabilities	23	357.18	434.14	313.98	198.07
	iii) Other financial liabilities	24	2.31	2.42	1.78	2.55
	b) Provisions	25	45.17	36.69	30.67	20.65
	c) Other non-current liabilities	26	1.78	2.71	-	-
	(B)		**811.03**	**791.06**	**397.15**	**2,570.66**
C	**Current liabilities**					
	a) Financial liabilities					
	i) Borrowings	27	786.65	3,354.11	3,572.04	776.83
	ii) Lease liabilities	28	142.38	139.57	105.95	74.34
	iii) Trade payables	29				
	- Amount due to micro and small enterprises		85.00	54.07	32.74	29.35
	- Amount due to other than micro and small enterprises		579.36	784.84	957.06	756.50
	iv) Other financial liabilities	30	14.87	19.11	20.95	21.53
	b) Provisions	31	18.07	19.27	19.22	17.28
	c) Contract liabilities	32	168.32	84.15	262.05	171.55
	d) Current tax liabilities (net)	33	4.18	13.29	29.83	13.53
	e) Other Current liabilities	34	16.93	27.24	11.67	50.74
	(C)		**1,815.76**	**4,495.65**	**5,011.51**	**1,911.65**
	TOTAL (A+B+C)		**5,164.69**	**5,179.71**	**5,206.79**	**4,132.07**
	Significant accounting policies and notes to Restated Consolidated Financial Information	**1 to 62**				

The notes accompanied form an integral part of the Restated Consolidated Financial Information

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/W-100018

For and on behalf of the Board of Directors
Concord Enviro Systems Limited

Manoj H. Dama
Partner
Membership No: 107723

Place: Mumbai
Date: June 29, 2022

Prayas Goel
Managing Director
DIN: 00348519

Place: Mumbai
Date: June 21, 2022

Prerak Goel
Executive Director
DIN: 00348563

Place: Mumbai
Date: June 21, 2022

Sudarshan Kamath
Chief financial officer

Place: Mumbai
Date: June 21, 2022

Priyanka Nayak
Company secretary

Place: Mumbai
Date: June 21, 2022

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599
Restated Consolidated Financial Information

Restated Consolidated Statements of Profit and Loss
(Amount in millions, unless otherwise stated)

	Particulars	Note no.	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
A	**Income**					
	Revenue from operations	35	2,193.75	3,476.02	3,832.13	2,976.75
	Other income	36	22.70	52.01	18.31	24.18
	Total income (A)		**2,216.45**	**3,528.03**	**3,850.44**	**3,000.93**
B	**Expenses**					
	Cost of raw materials and components consumed	37	914.61	1,295.39	1,679.84	1,363.94
	Purchase of stock-in-trade	38	95.17	114.57	193.03	87.86
	Increase/(decrease) in inventories of finished goods and work-in-progress	39	(84.71)	289.41	(107.26)	(178.65)
	Employee benefits expenses	40	386.72	424.07	475.42	412.18
	Finance costs	41	142.80	192.42	411.50	284.49
	Depreciation and amortisation expenses	42	196.14	248.03	217.30	218.66
	Other expenses	43	554.27	738.36	855.87	592.28
	Total expenses (B)		**2,205.00**	**3,302.25**	**3,725.70**	**2,780.76**
C	**Share of profit / (loss) of joint ventures**	8.2	**7.37**	**6.51**	**(0.02)**	**6.35**
D	**Profit before tax (A-B+C)**		**18.82**	**232.29**	**124.72**	**226.52**
E	**Tax expense:**					
	- Current tax	44	12.82	34.31	53.07	57.27
	- Deferred tax charge / (credit)	44	(17.83)	(0.40)	(5.48)	12.03
	- Income tax pertaining to earlier years		(6.43)	0.26	(1.48)	(1.30)
			(11.44)	**34.17**	**46.12**	**68.00**
F	**Profit for the period / year (D-E)**		**30.26**	**198.12**	**78.60**	**158.52**
G	**Other comprehensive income / (loss)**					
	(i) Items that will not be reclassified subsequently to profit or loss					
	- Remeasurement of defined benefit plans - gain/(loss)		(1.02)	0.01	(4.29)	(1.48)
	- Income tax relating to above - (charge) / credit		-	-	-	-
	(ii) Items that may be reclassified subsequently to profit or loss					
	- Foreign exchange differences on translation of foreign operations		15.34	(59.80)	78.43	42.95
	- Foreign exchange differences on share of joint ventures		0.31	(0.50)	0.17	-
	- Income tax relating to above - (charge) / credit		-	-	-	-
			14.63	**(60.29)**	**74.31**	**41.47**
I	**Total comprehensive income (F + G)**		**44.89**	**137.83**	**152.91**	**199.99**
J	**Profit for the period / year attributable to:**					
	Owners of the Company		30.26	198.12	78.60	158.52
			30.26	**198.12**	**78.60**	**158.52**
K	**Other comprehensive income / (loss) for the period / year attributable to:**					
	Owners of the Company		14.63	(60.29)	74.31	41.47
			14.63	**(60.29)**	**74.31**	**41.47**
L	**Total comprehensive income / (loss) for the period / year attributable to:**					
	Owners of the Company		44.89	137.83	152.91	199.99
			44.89	**137.83**	**152.91**	**199.99**
	Basic and diluted earnings per share* Equity shares [face value of Rs. 5 each] (Refer note 49)	49	29.93	321.57	127.58	257.29

* Earnings per equity share has not been annualised for the period ended 31st December, 2021

Significant accounting policies and notes to Restated Consolidated Financial Information 1 to 62

The notes accompanied form an integral part of the Restated Consolidated Financial Information

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Manoj H. Dama
Partner
Membership No: 107723

Place: Mumbai
Date: June 29, 2022

For and on behalf of the Board of Directors of
Concord Enviro Systems Limited

Prayas Goel
Managing Director
DIN: 00348519

Place: Mumbai
Date: June 21, 2022

Prerak Goel
Executive Director
DIN: 00348563

Place: Mumbai
Date: June 21, 2022

Sudarshan Kamath
Chief financial officer

Place: Mumbai
Date: June 21, 2022

Priyanka Nayak
Company secretary

Place: Mumbai
Date: June 21, 2022

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599
Restated Consolidated Financial Information

Restated Consolidated Statements of Cash Flow
(Amount in millions, unless otherwise stated)

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	18.82	232.29	124.72	226.52
Adjustments for:				
Finance costs	142.80	192.42	411.50	284.49
Interest income	(8.42)	(12.73)	(11.36)	(10.88)
Depreciation and amortisation	196.14	248.03	217.30	218.66
Share of profit / (loss) of Joint ventures	(7.37)	(6.51)	0.02	(6.35)
Liquidated damages	0.83	1.56	1.20	1.31
Foreign currency exchange loss / (gain) (Net)	25.72	(76.06)	51.68	84.07
Amortisation of financial guarantee liability	(0.58)	(0.97)	(0.43)	(0.50)
Liabilities written back to the extent no longer required	(1.81)	(6.54)	(0.63)	(6.40)
Provision / (reversal) for expected credit losses on financial assets	19.16	24.45	18.26	(0.45)
Provision for doubtful advances	8.39	0.17	1.07	-
Bad debts written off	0.63	0.11	15.88	31.61
Sundry balances written off	2.09	18.43	9.05	4.73
Loss on sale / discard of property, plant and equipment	-	0.00	2.81	0.15
Dividend income	(0.01)	-	(0.01)	(0.01)
Operating profit before working capital changes	**396.38**	**614.64**	**841.07**	**826.95**
Movements in working capital:				
(Increase) / decrease in trade receivable	407.05	(61.49)	(249.92)	(160.78)
(Increase) / decrease in loans and other assets	(56.96)	9.77	(320.50)	(11.32)
(Increase) / decrease in inventories	(230.49)	401.65	(363.81)	(266.02)
Increase / (decrease) in provisions and other liabilities	78.65	(138.36)	62.57	24.28
Increase / (decrease) in trade payable	(174.54)	(150.99)	203.94	57.79
	420.09	**675.22**	**173.35**	**470.91**
Direct taxes paid (including tax deducted at source)	(22.77)	(52.19)	(35.66)	(29.90)
Net cash generated from operating activities (A)	**397.32**	**623.03**	**137.69**	**441.01**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment and intangible assets	(278.21)	(216.35)	(149.07)	(153.08)
Sale of property, plant and equipment	2.40	5.57	7.88	2.45
Investment made in joint ventures	(1.52)	-	(63.72)	(14.71)
Loans given	-	(10.00)	-	-
Interest income	2.87	4.40	2.66	2.90
Dividend income	0.01	-	0.01	0.01
(Increase) / decrease in other bank balance	(9.95)	(7.85)	85.58	(75.51)
Net cash used in investing activities (B)	**(284.40)**	**(224.22)**	**(116.66)**	**(237.94)**
CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from long term borrowings	114.59	331.23	11.56	51.10
Repayment of long term borrowings	(21.38)	(39.44)	(20.17)	(8.05)
Redemption of unsecured compulsory convertible debentures	(8.58)	-	-	-
Proceeds from / (repayment of) short term borrowings (net)	37.41	(327.40)	277.93	9.71
Payment of lease liabilities	(105.65)	(102.18)	(93.77)	(110.03)
Interest paid	(149.38)	(187.45)	(181.67)	(167.95)
Net cash used in financing activities (C)	**(132.99)**	**(325.24)**	**(6.12)**	**(225.22)**
Net increase / (decrease) in cash and cash equivalents (A+ B+C)	**(20.07)**	**73.57**	**14.91**	**(22.15)**
Cash and cash equivalents at beginning of the period/ year	104.26	31.51	15.32	35.12
Foreign currency translation reserve	0.01	(0.82)	1.28	2.35
Cash and cash equivalents at end of the period/ year	84.20	104.26	31.51	15.32
Net increase / (decrease) in cash and cash equivalents	**(20.07)**	**73.57**	**14.91**	**(22.15)**

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599
Restated Consolidated Financial Information

Restated Consolidated Statements of Cash Flow
(Amount in millions, unless otherwise stated)

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019

Notes:
(i) Cash flow statement has been prepared under "indirect method" as set out in Ind AS 7 - "Cash Flow Statement".
(ii) Analysis of movement in borrowings*

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Borrowings at the beginning of the period / year	3,669.21	3,622.76	3,126.22	2,948.42
Movement due to cash transactions as per statement of cash flow statement	122.05	(35.61)	269.32	52.76
Movement due to non-cash transactions	(2,600.02)	82.06	227.22	125.04
Borrowings at the end of the period/ year	1,191.24	3,669.21	3,622.76	3,126.22

* The above cashflows excludes items of non-cash nature in relation to reclassification of financial instruments. (Refer note 20.10), accounting for fair value of corporate guarantees and operating lease under IndAS 116.

Significant accounting policies and notes to Restated Consolidated Financial Information **1 to 62**

The notes accompanied form an integral part of the Restated Consolidated Financial Information

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Manoj H. Dama
Partner
Membership No: 107723

Place: Mumbai
Date: June 29, 2022

For and on behalf of the Board of Directors
Concord Enviro Systems Limited

Prayas Goel
Managing Director
DIN: 00348519

Place: Mumbai
Date: June 21, 2022

Prerak Goel
Executive Director
DIN: 00348563

Place: Mumbai
Date: June 21, 2022

Sudarshan Kamath
Chief financial officer

Place: Mumbai
Date: June 21, 2022

Priyanka Nayak
Company secretary

Place: Mumbai
Date: June 21, 2022

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599
Restated Consolidated Financial Information

Restated Consolidated Statements of changes in equity
(Amount in millions, unless otherwise stated)

(A) Equity share capital

Particulars	Amount
Balance at 1st April, 2018	**3.08**
Issue of equity shares	-
Balance at 31st March, 2019	**3.08**
Issue of equity shares	-
Balance at 31st March, 2020	**3.08**
Balance at 1st April, 2020	**3.08**
Issue of equity shares	-
Balance at 31st March, 2021	**3.08**
Issue of equity shares	-
Reclassification from financial liability (Refer Note 20.10)	1.18
Balance at 31st December, 2021	**4.26**

(B) Other equity

Particulars	Reserves and surplus				Financial instrument classified as equity	Other Comprehensive Income		Total other equity
	Securities Premium	General Reserve	Retained Earnings	Captial reserve	0.001% Compulsorily convertible non-cumulative preference shares (Refer Note 20.10)	Remeasurement gain / (loss) of defined benefit plan	Foreign currency translation reserve	
Balance as at 1st April, 2018	**-**	**11.22**	**(572.07)**	**17.35**	**-**	**-**	**(9.81)**	**(553.31)**
Profit for the year	-	-	158.52	-	-	-	-	**158.52**
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(1.48)	42.95	**41.48**
Balance as at 31st March, 2019	**-**	**11.22**	**(413.55)**	**17.35**	**-**	**(1.48)**	**33.14**	**(353.32)**
Add/(less): Impact on account of Ind AS 116 (Refer note 59.5 and 59.7)	-	-	(2.02)	-	-	-	(0.77)	**(2.80)**
Balance as at 1st April, 2019	**-**	**11.22**	**(415.57)**	**17.35**	**-**	**(1.48)**	**32.37**	**(356.11)**
Profit for the year			78.60		-	-	-	**78.60**
Other comprehensive income/ (loss) for the year	-	-	-	-	-	(4.29)	76.85	**72.56**
Balance as at 31st March, 2020	**-**	**11.22**	**(336.97)**	**17.35**	**-**	**(5.76)**	**109.22**	**(204.95)**
Add/(less): Impact on account of transition date being different from statutory transition date of 1st April, 2020 (Refer note 59.4 and 59.6)	-	-	(34.12)	-	-	5.77	(14.61)	**(42.96)**
Balance as at 1st April, 2020	**-**	**11.22**	**(371.09)**	**17.35**	**-**	**0.01**	**94.61**	**(247.90)**
Profit for the year	-	-	198.12	-	-	-	-	**198.12**
Other comprehensive income/ (loss) for the year	-	-	-	-	-	0.01	(60.30)	**(60.30)**
Balance as at 31st March, 2021	**-**	**11.22**	**(172.97)**	**17.35**	**-**	**0.02**	**34.31**	**(110.09)**
Balance as at 1st April, 2021	**-**	**11.22**	**(172.97)**	**17.35**	**-**	**0.02**	**34.31**	**(110.09)**
Profit for the period	-	-	30.26	-	-	-		**30.26**
Other comprehensive income/ (loss) for the period	-	-	-	-	-	(1.02)	15.65	**14.63**
Add/(Less): Reclassified from financial liabilities (Refer note 20.10)	913.03	-	1,677.80	-	8.00	-	-	**2,598.82**
Balance as at 31st December, 2021	**913.03**	**11.22**	**1,535.08**	**17.35**	**8.00**	**(0.99)**	**49.96**	**2,533.64**

Significant accounting policies and notes to Restated Consolidated Financial Information **1 to 62**

The notes accompanied form an integral part of the Restated Consolidated Financial Information

As per our report of even date
For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No : 117366W/W-100018

Manoj H. Dama
Partner
Membership No: 107723

Place: Mumbai
Date: June 29, 2022

For and on behalf of the Board of Directors
Concord Enviro Systems Limited

Prayas Goel
Managing Director
DIN: 00348519

Place: Mumbai
Date: June 21, 2022

Prerak Goel
Executive Director
DIN: 00348563

Sudarshan Kamath
Chief financial officer

Privanka Navak
Company secretary

1. Company's background

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) ("the Company") is a public limited company domiciled and incorporated in India under the Companies Act, 2013 vide CIN No. U45209MH1999PTC12059S9 and incorporated on 1st July 1999. The Company is public limited company w.e.f. June 09, 2022 with new CIN No. U45209MH1999PLC12059S9. The registered office of the Company is located at 101, HDIL Towers Limited, Anant Kanekar Marg, Mumbai - 400 051, India.

Concord Enviro Systems Limited (formerly known as Concord Enviro Systems Private Limited) and its subsidiaries (collectively, "the Group") and its joint ventures, is engaged in the business of manufacturing water treatment systems, water pollution control equipment, bio filters, resource recovery systems using membrane technology and operational and maintenance services. The Group caters to both domestic and international markets.

2. Basis of preparation

2.1. Basis of preparation and presentation

The Restated Consolidated Financial Information of the Group and its joint ventures comprises of the Restated Consolidated Statements of Assets and Liabilities as at December 31, 2021 and March 31, 2021, 2020 and 2019, the Restated Consolidated Statements of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statements of Cash Flows and the Restated Consolidated Statements of Changes in Equity for the nine month period ended December 31, 2021 and for the years ended March 31, 2021, 2020 and 2019 and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group and its joint ventures for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Financial Information have been prepared by the Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communication"), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2021. Accordingly, the transition date for adoption of Ind AS is April 1, 2020 for reporting under requirements of the Act.

These Restated Consolidated Financial Information have been compiled by the Management from:

a) the audited special purpose consolidated interim Ind AS financial statements of the Group and its joint ventures as at and for the nine month period ended December 31, 2021 (along with comparative audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Act read with relevant rules thereunder and the other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on June 21, 2022. The comparative information as at and for the year ended March 31, 2021 included in the Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards notified under section 133 of the Act ("Indian GAAP") (the "2021 Statutory Consolidated Indian GAAP Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 15, 2021.

b) the special purpose consolidated Ind AS financial statements of the Group and its joint ventures as at and for the year ended March 31, 2020 (the "2020 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis explained in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on June 21, 2022

   The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2020, prepared in accordance with the Indian GAAP, which have been approved by the Board of directors at their meeting held on December 30, 2020 (the "2020 Statutory Consolidated Indian GAAP Financial Statements").

c) the special purpose consolidated Ind AS financial statements of the Group and its joint venture as at and for the year ended March 31, 2019 (the "2019 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis explained in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on June 21, 2022

   The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments as mentioned below, to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2019, prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on September 26, 2019 (the "2019 Statutory Consolidated Indian GAAP Financial Statements").

In pursuance to the SEBI Communication, for the purpose of 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures (collectively, the "Special Purpose Consolidated Ind AS Financial Statements"), the transition date is considered as April 1, 2018 which is different from the transition date adopted by the Group and its joint ventures at the time of first time transition to Ind AS (i.e. April 1, 2020) for the purpose of preparation of Statutory Consolidated Ind AS Financial Statements as required under the Act. Accordingly, the Group and its joint ventures have applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2018 for the Special Purpose Consolidated Ind AS Financial Statements, as initially adopted on transition date i.e. April 1, 2020 (Refer Note 2.1 to the Restated Consolidated Financial Information).

As such, Special Purpose Consolidated Ind AS Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and its joint ventures and described in subsequent paragraphs and Note 3 to the Restated Consolidated Financial Information.

Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Further, since the statutory date of transition to Ind AS is April 1, 2020, and that the Special Purpose Consolidated Ind AS Financial Statements have been prepared considering a transition date of April 1, 2018, the closing balances of items included in the Special Purpose Balance Sheet as at March 31, 2020 may be different from the balances considered on the statutory date of transition to Ind AS on April 1, 2020, due to such early application of Ind AS principles with effect from April 1, 2018 as compared to the date of statutory transition. Refer Note 59.2 to the Restated Consolidated Financial Information for reconciliation of equity and total comprehensive income as per the Special Purpose Consolidated Interim Ind AS Financial Statements, Special Purpose Consolidated Ind AS Financial Statements and Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 and equity and total comprehensive income as per the Restated Consolidated Financial Information.

The audit of the 2019 Statutory Consolidated Indian GAAP Financial Statements, were conducted by the Company's previous auditors (the "Previous Auditors"). The Previous Auditors issued report dated September 26, 2019 on the 2019 Statutory Consolidated Indian GAAP Financial Statements.

Based on the discussions held with the Previous Auditors, the Previous Auditors indicated their inability to examine financial information as at and for the year ended March 31, 2019 due to non-availability of their team and complete the examination as per the timelines set by the Company. As a result, peer reviewed Independent Chartered Accountants (the "Other Principal Auditors") were engaged by the Company to audit and examine the financial information as at and for the year ended March 31, 2019 in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022.

Accordingly, Other Principal Auditors have audited the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint venture, prepared by the Company in accordance with the accounting policies referred below and in Note 3 to the Restated Consolidated Financial Information. The Other Principal Auditors have also examined the Restated Consolidated Financial Information of the Group and its joint venture as at and for the year ended March 31, 2019 in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the nine month period ended December 31, 2021.

Auditors' report on the Statutory Consolidated Indian GAAP Financial Statements for the years ended March 31, 2021, 2020 and 2019 included following basis for qualified opinion paragraphs:

a. The auditor's report dated September 15, 2021 on the Statutory Consolidated Indian GAAP Financial Statements as at and for the year ended March 31, 2021 includes the following basis for qualified opinion paragraphs:

   i. As at 31st March 2021, the Holding Company has investment of Rs. 447,500,000 (as at 31st March 2020 Rs. 447,500,000) in Redeemable Preference Shares of Rochem Green Energy Private Limited ("RGEPL"). Considering the adverse financial position of RGEPL, the Holding Company's management has performed an impairment evaluation of its investments in RGEPL. Based on future cash flows projections of this entity, the management believes that no adjustment is needed in the carrying value of its investment in RGEPL as at 31st March 2021. However, there is lack of adequate convincing evidence for achieving the cash flow projections of this entity. Accordingly, we are unable to comment whether any adjustments are necessary to the carrying values of investments in RGEPL and its consequential impact on the profit for the year ended 31st March 2021 and the reserves and surplus as at 31st March 2021.

      This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   ii. The Rochem Separations Systems (India) Private Limited (RSSPL), a subsidiary, had granted unsecured interest free loan aggregating Rs. 160,635,803 to Rochem Green Energy Private Limited, a company with common directors, in earlier years, which was not in accordance with the requirements of Section 185 of the Companies Act, 2013. The amount outstanding as at 31st March 2021 in respect of such loan is Rs. Nil. The liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the financial statements. During the financial 2018-19, RSSPL had filed for compounding of non-compliance, the compounding order for the same is awaited.

      This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   iii. The following basis of qualified opinion was included in the audit report dated August 12, 2021, on the financial statements of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"), a subsidiary, reproduced as under:

"Attention is drawn to Note No. 8 & 16, Trade Receivables of Rs. 8.50 crores (including Rs. 1.38 crores from overseas debtors) which are outstanding for more than 6 to 8 years, we are of the opinion that the same are doubtful of recovery. However, management is confident of recovering same and has made Provision for Doubtful Debts only to the extent of Rs. 27 lacs."
Note 8 and Note 16 as described above are reproduced as Note 14 to the Consolidated Financial Statements for the year ended 31st March 2021.

b. The auditor's report dated December 30, 2020 on the 2020 Statutory Consolidated Indian GAAP Financial Statements also includes basis for qualified opinion paragraphs described in paragraphs (a)(i) and (a)(ii) above.

c. The auditor's report dated September 26, 2019 on the 2019 Statutory Consolidated Indian GAAP Financial Statements includes basis of qualified opinion paragraph described in (a)(i) above.

Subsequent to December 31, 2021, pursuant to a resolution of shareholders dated May 25, 2022, each equity share of face value of INR 100 each of the Company has been split into 20 equity shares of face value of INR 5 each (the "Split"). As required under Ind AS 33 "Earnings per share" the effect of such Split is required to be adjusted retrospectively for the purpose of computing earnings per share for all the period / years presented. As a result, the effect of the Split has been considered in these Restated Consolidated Financial Information for the purpose of calculation of earnings per share (Refer Note 49 of the Restated Consolidated Financial Information).

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the audited Special Purpose Consolidated Interim Ind AS Financial Statements, Special Purpose Consolidated Ind AS Financial Statements and Statutory Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019, except for those mentioned above.

The Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the nine month period ended December 31, 2021, as applicable;

b. do not require any adjustment for modification as there is no modification in the underlying audit reports on Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements referred in preceding paragraphs.
Auditors' reports on the Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 issued by us / Previous Auditors included certain qualifications (refer preceding paragraphs) which have been re-assessed by the Company for the purpose of preparation of Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements and necessary adjustments have been made to the Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements. The Restated Consolidated Financial Information do not require any adjustment for matters giving rise to following emphasis of matter paragraphs in the underlying audit reports on Special Purpose Consolidated Ind AS Financial Statements:

i. The auditor's report dated June 29, 2022 on the 2020 Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2020 includes the following emphasis of matter paragraph:

Emphasis of Matter:
"Basis of preparation and restriction on distribution and use

We draw attention to Note 2.1 to the 2020 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the Restated Consolidated Financial Information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2020 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2020 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

ii. The auditor's report dated June 21, 2022 on the 2019 Special Purpose Consolidated Ind AS Financial Statements includes the following Emphasis of Matter paragraph:

Emphasis of Matter:
"Basis of preparation and restriction on distribution and use
We draw attention to Note 2.1 to the 2019 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the Special Purpose Restated Consolidated Financial Information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2019 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2019 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

These Restated Consolidated Financial Information have been approved by the Board of Directors of the Company on June 21 2022.

2.2 Principles of Consolidation:

The Restated Consolidated Financial Information relate to the Company and its subsidiary companies and joint ventures. The Restated Consolidated Financial Information have been prepared on the following basis:

a. The Restated Consolidated Financial Information of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.
c. In case of foreign subsidiaries, revenue and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).
d. The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
e. The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in each subsidiary.

f. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Restated Consolidated Statements of Profit and Loss being the profit or loss on loss of control of subsidiary.
g. Non-Controlling Interest's share of profit/ loss and other comprehensive income of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.
h. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented in the Restated Consolidated Statements of Assets and Liabilities.
i. Investment in Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

3. Significant Accounting Policies

3.1. Current and non-current classification

The Group presents assets and liabilities in the Restated Consolidated Statements of Asset and Liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

3.2. Functional and presentation of currency

Restated Consolidated Financial Information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,000,000 have been rounded and are presented as INR 0.00 Million in the Restated Consolidated Financial Information.

3.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 – Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the Restated Consolidated Financial Information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

3.4. Use of estimates, judgements and assumptions

The preparation of these Restated Consolidated Financial Information in conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions in application of accounting policies that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of Restated Consolidated Financial Information and reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the Restated Consolidated Financial Information were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

3.4.1. Significant accounting judgements

(i) Leases

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

3.4.2. Estimates and assumptions

(i) Impairment of non-financial assets (property, plant and equipments, intangible assets and right of use asset)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(ii) Defined benefit obligations

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India.

(iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

(iv) Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on taxes are disclosed in note 3.15

(v) Indefinite life – intangible assets

Indefinite life intangible assets comprise of brand and trademark, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brand and the level of marketing support. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

(vi) Fair value of financial assets and financial liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value for financial reporting purposes. The Company determines the appropriate valuation techniques and input for fair value measurements. For estimates relating to fair value measurement refer note 3.3.

3.5. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in Restated Consolidated Statements of Profit and Loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of Restated Consolidated Financial Information are disclosed as "Capital Work in Progress".

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a written down value method (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 or useful lives as determined based on internal technical evaluation. The estimated useful lives are as under:

Type of asset	Useful lives estimated by the management (years)
Building	30
Plant and machinery	3-20
Furniture and fixture	2-20
Vehicles	5-10
Office equipment	2 – 10
Computer – End user devices	3 – 5
Computer – Server	5 – 6

Depreciation methods, useful lives and residual values, determined based on internal technical evaluation are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Consolidated Statements of Profit and Loss when the asset is de-recognised.

3.6. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible assets with finite lives comprise of technology and trade mark and software, are amortized over the period of 10 years or useful life whichever is less on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively. Intangible assets with indefinite lives comprise of brands and trademarks for which there is no foreseeable limit to the period over which they are expected to generate cash inflows. These are considered to have an indefinite life given the strength and durability of the brand and the level of marketing support. For intangible assets with indefinite lives the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis the revised estimates.

In case of assets purchased / sold during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

3.7. Leases

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows:

(i) Where the Group is the lessee

Right of Use Asset

The Group applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Group, in its Restated Consolidated Statements of Assets and Liabilities, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold land	58 to 78 years
Plant and Machinery	More than 1 year – 7 years
Office Premises	More than 1 year – 7 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3.8 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Restated Consolidated Statements of Profit and Loss.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Restated Consolidated Statements of Profit and Loss.

(ii) Where the entity is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

Sale and lease back

If an entity (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, both the seller-lessee and the buyer-lessor are required to account for the transfer contract and the lease by applying Ind AS 116 Para 99 to 103.

(i) Transfer of the asset is not a sale

If the transfer of an asset by the seller-lessee does not satisfy the requirements of Ind AS 115 and wherein if the seller-lessee has a substantive repurchase option with respect to the underlying asset, the Group (seller-lessee)

- De-recognises the sale (revenue) in books with corresponding impact on the cost of goods sold (COGS) to eliminate the profit margin in the transaction.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

(ii) Transfer of the asset is a sale

If the transfer of an asset by the seller-lessee does satisfy the requirements of Ind AS 115 and wherein if the seller-lessee do not have a substantive repurchase option with respect to the underlying asset., the Group (seller-lessee)

- De-recognises the profit margin in the transaction by reducing the sale (revenue) to that effect in books.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

3.8. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

3.9. Inventories

Inventories include raw materials and components, work in progress, traded and manufactured finished goods.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, components is ascertained based on weighted average method. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value for work in progress is determined with reference to the selling price of related finished goods. Trade goods are considered at landed cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.

3.10. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers".

(a) Revenue from operations:

- Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- Revenue from sale of services is recognized on rendering of services to the customers based on contractual arrangements. Revenue is recorded exclusive of goods and service tax. Contract prices are either fixed or subject to price escalation clauses.
- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.
- Revenue also excludes taxes collected from customers.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

(b) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the Restated Consolidated Statements of Profit and Loss.

(c) Dividends

Dividend income is recognised when the Group's right to receive the payment is established.

(d) Other income

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Group's claim.

3.11. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the Restated Consolidated Statements of Profit and Loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to Restated Consolidated Statements of Profit and Loss on a systematic basis over the useful life of the asset.

3.12. Foreign currency transaction

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the Restated Consolidated Statements of Profit and Loss are also recognised in OCI or the Restated Consolidated Statements of Profit and Loss, respectively)

3.13. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Restated Consolidated Statements of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

     The defined contribution plan is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme, National Pension Scheme, and Employee Pension Scheme. The Group's contribution to defined contribution plans are recognized in the Restated Consolidated Statements of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

     The Group has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits. Group's obligation towards gratuity liability is funded / unfunded. The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

     For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits liability) are recognised immediately in the balance sheet with a corresponding debit or credit to the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to Restated Consolidated Statements of Profit and Loss in subsequent periods.

     Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for employee benefit plan [other than gratuity] are recognized immediately in the Restated Consolidated Statements of Profit and Loss as income or expense.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

3.14. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest expenses calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

3.15. Taxes on income

Tax expenses for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act,1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allows deferred tax assets to be recovered.

3.16. Cash & cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

3.17. Statements of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

3.18. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

3.19. Earnings per share

Basic earnings per share is computed using the net profit for the year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

3.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

3.21. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3.21.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in Restated Consolidated Statements of Profit and Loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3.21.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Cost' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Compound financial instruments

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in Restated Consolidated Statements of Profit and Loss.

3.22. Recent accounting and other pronouncements

As on the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations.

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

4 Property, plant and equipment

Particulars	Buildings	Freehold land (Refer note 4.2)	Plant and machinery	Furniture and fixture	Office equipment	Computer	Vehicles	Total
Gross carrying Amount								
As at 1st April, 2018	**14.28**	**-**	**460.32**	**4.87**	**3.27**	**1.62**	**9.91**	**494.27**
Additions	1.38	-	74.79	1.48	1.06	2.02	6.97	87.70
Disposal / Adjustment	-	-	(2.15)	(0.00)	(0.08)	(0.06)	(0.28)	(2.57)
As at 31st March, 2019	**15.66**	**-**	**532.96**	**6.35**	**4.25**	**3.58**	**16.60**	**579.40**
As at 1st April, 2019	**15.66**	**-**	**532.96**	**6.35**	**4.25**	**3.58**	**16.60**	**579.40**
Foreign currency translation reserve	-	-	39.33	0.50	0.27	-	0.42	40.52
Additions	2.87	33.83	100.12	1.11	2.26	3.23	9.59	153.01
Disposal / Adjustment	-	-	(17.39)	(0.28)	(0.04)	(0.76)	(0.15)	(18.62)
As at 31st March, 2020	**18.53**	**33.83**	**655.02**	**7.68**	**6.74**	**6.05**	**26.46**	**754.31**
Add/(less): Impact on account of different transition date of 1st April, 2020	(3.25)	-	(193.25)	(2.81)	(2.60)	(3.83)	(11.84)	(217.58)
As at 1st April, 2020	**15.28**	**33.83**	**461.77**	**4.87**	**4.14**	**2.22**	**14.62**	**536.73**
Foreign currency translation reserve	-	-	(8.64)	(0.15)	(0.07)	-	(0.14)	(9.00)
Additions	-	-	274.12	2.28	2.73	1.09	0.91	281.13
Disposal / Adjustment	-	-	(5.51)	-	-	-	(0.06)	(5.57)
As at 31st March, 2021	**15.28**	**33.83**	**721.74**	**7.00**	**6.80**	**3.31**	**15.33**	**803.29**
As at 1st April, 2021	**15.28**	**33.83**	**721.74**	**7.00**	**6.80**	**3.31**	**15.33**	**803.29**
Foreign currency translation reserve	-	-	6.80	0.07	0.04	-	0.06	6.97
Additions	1.64	-	14.81	5.88	2.91	1.57	1.18	27.99
Disposal / Adjustment	-	-	(0.80)	(0.20)	(0.01)	-	(3.50)	(4.51)
As at 31st December, 2021	**16.92**	**33.83**	**742.55**	**12.75**	**9.74**	**4.88**	**13.07**	**833.74**
Accumulated depreciation								
As at 1st April, 2018								
Depreciation charge for the year	1.49	-	110.23	1.15	1.09	1.32	4.22	119.50
Disposal / adjustment	-	-	-	-	-	-	-	-
As at 31st March, 2019	**1.49**	**-**	**110.23**	**1.15**	**1.09**	**1.32**	**4.22**	**119.50**
As at 1st April, 2019	**1.49**	**-**	**110.23**	**1.15**	**1.09**	**1.32**	**4.22**	**119.50**
Foreign currency translation reserve	-	-	4.87	0.09	0.05	-	0.07	5.08
Depreciation charge for the year	1.76	-	86.07	1.60	1.42	2.56	7.52	100.93
Disposal / adjustment	-	-	(7.92)	-	-	(0.01)	-	(7.93)
As at 31st March, 2020	**3.25**	**-**	**193.25**	**2.84**	**2.56**	**3.87**	**11.81**	**217.58**
Add/(less): Impact on account of different transition date of 1st April, 2020	(3.25)	-	(193.25)	(2.84)	(2.56)	(3.87)	(11.81)	(217.58)
As at 1st April, 2020	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge for the year	1.72	-	95.45	1.74	2.34	1.97	6.33	109.55
Disposal / adjustment	-	-	-	-	-	-	-	-
As at 31st March, 2021	**1.72**	**-**	**95.45**	**1.74**	**2.34**	**1.97**	**6.33**	**109.55**
As at 1st April, 2021	**1.72**	**-**	**95.45**	**1.74**	**2.34**	**1.97**	**6.33**	**109.55**
Foreign currency translation reserve	-	-	0.86	0.02	0.02	-	0.01	0.91
Depreciation charge for the period	1.23	-	73.92	2.55	2.55	1.05	2.48	83.78
Disposal / adjustment	-	-	(0.11)	(0.10)	(0.00)	-	(1.90)	(2.11)
As at 31st December, 2021	**2.95**	**-**	**170.12**	**4.21**	**4.91**	**3.02**	**6.92**	**192.13**
Carrying amount								
As 31st March, 2019	**14.17**	**-**	**422.73**	**5.20**	**3.16**	**2.26**	**12.38**	**459.90**
As 31st March, 2020	**15.28**	**33.83**	**461.77**	**4.84**	**4.18**	**2.18**	**14.65**	**536.73**
As 31st March, 2021	**13.56**	**33.83**	**626.29**	**5.26**	**4.46**	**1.34**	**9.00**	**693.74**
As 31st December, 2021	**13.97**	**33.83**	**572.43**	**8.54**	**4.83**	**1.86**	**6.15**	**641.61**

Notes:

4.1 The Group has elected to continue with the carrying value of its property, plant and equipment as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

4.2 The title deed of Freehold land are in the name of wholly owned subsidiary of Concord Enviro Systems Limited i.e. Rochem Separation System (India) Private Limited.

4.3 For details assets pledged as Security (Refer note 27.1((a)

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

5 Intangible assets

Particulars	Technology and Trade mark	Trade mark and Brand*	Software	Total
Gross carrying Amount				
As at 1st April, 2018	**18.73**	**-**	**9.14**	**27.87**
Foreign Currency Translation Reserve	1.32	-	-	1.32
Additions	-	-	0.17	0.17
Disposal / Adjustment	-	-	(0.02)	(0.02)
As at 31st March, 2019	**20.05**	**-**	**9.29**	**29.34**
As at 1st April, 2019	**20.05**	**-**	**9.29**	**29.34**
Foreign Currency Translation Reserve	1.28	-	-	1.28
Additions	-	-	4.86	4.86
Disposal / Adjustment	-	-	-	-
As at 31st March, 2020	**21.33**	**-**	**14.15**	**35.48**
Add/(less): Impact on account of different transition date of 1st April, 2020	(21.20)	-	(5.40)	(26.60)
As at 1st April, 2020	**0.13**	**-**	**8.75**	**8.88**
Additions	40.11	-	-	40.11
Disposal / Adjustment	-	-	-	-
As at 31st March, 2021	**40.24**	**-**	**8.75**	**48.99**
As at 1st April, 2021	40.24	-	8.75	**48.99**
Additions	-	224.79	-	224.79
Foreign Currency Translation Reserve	0.59		-	0.59
Disposal / Adjustment	-	-	-	-
As at 31st December, 2021	**40.83**	**224.79**	**8.75**	**274.37**
Amortization and Impairment				
As at 1st April, 2018	**-**	**-**	**-**	**-**
Amortization charge for the year	12.68	-	2.66	15.34
Disposal / Adjustment	-	-	-	-
As at 31st March, 2019	**12.68**	**-**	**2.66**	**15.34**
As at 1st April, 2019	**12.68**	**-**	**2.66**	**15.34**
Foreign Currency Translation Reserve	0.84	-	-	0.84
Amortization charge for the year	7.67	-	2.74	10.41
Disposal / Adjustment	-	-	-	-
As at 31st March, 2020	**21.19**	**-**	**5.40**	**26.59**
Add/(less): Impact on account of different transition date of 1st April, 2020	(21.19)	-	(5.40)	(26.59)
As at 1st April, 2020	-	-	-	-
Amortization charge for the year	7.85	-	3.19	11.04
Disposal / Adjustment	-	-	-	-
As at 31st March, 2021	**7.85**	**-**	**3.19**	**11.04**
As at 1st April, 2021	7.85	-	3.19	**11.04**
Amortization charge for the period	5.96	-	2.10	8.06
Foreign Currency Translation Reserve	0.11	-	-	0.11
As at 31st December, 2021	**13.92**	**-**	**5.29**	**19.21**
As at 31st March, 2019	**7.37**	**-**	**6.63**	**14.00**
As at 31st March, 2020	**0.14**	**-**	**8.75**	**8.89**
As at 31st March, 2021	**32.39**	**-**	**5.56**	**37.95**
As at 31st December 2021	**26.91**	**224.79**	**3.46**	**255.15**

* Pertain to intangible assets having indefinite useful life.

Notes:

5.1 The Group has elected to continue with the carrying value of its intangible assets as on the transition date measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

6 Capital work-in-progress and intangible assets under development

Particulars	Capital work in progress	Intangible assets under development	Total
As at 1st April, 2018	**1.25**	**0.28**	**1.53**
Additions	34.79	3.00	**37.79**
Capitalized	(1.18)	(0.08)	(1.26)
As at 31st March, 2019	**34.86**	**3.20**	**38.06**
As at 1st April, 2019	**34.86**	**3.20**	**38.06**
Additions	55.63	3.85	59.48
Capitalized	(45.91)	(4.81)	(50.72)
Foreign currency translation reserve	3.62	**-**	**3.62**
As at 31st March, 2020	**48.20**	**2.24**	**50.44**
As at 1st April, 2020	**48.20**	**2.24**	**50.44**
Additions	35.93	**-**	35.93
Capitalized	**-**	**-**	-
Foreign currency translation reserve	(1.72)	-	(1.72)
As at 31st March, 2021	**82.41**	**2.24**	**84.65**
As at 1st April, 2021	**82.41**	**2.24**	**84.65**
Additions	25.22	**-**	25.22
Capitalized	(2.71)	-	(2.71)
Foreign currency translation reserve	1.26	**-**	1.26
As at 31st December, 2021	**106.18**	**2.24**	**108.42**

6.1 Ageing analysis of capital work-in-progress

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Projects in progress:				
Up to 1 year	47.29	30.90	17.37	33.15
More than 1 years and up to 2 years	58.89	16.27	30.83	1.65
More than 2 years and up to 3 years	-	35.24	-	0.06
More than 3 years	-	-	-	-
Total	**106.18**	**82.41**	**48.20**	**34.86**

6.2 There are no projects which are temporarily suspended. Accordingly, such disclosure for capital work-in-progress is not applicable.

6.3 Ageing analysis of intangible assets under development

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Projects in progress:				
Up to 1 year	-	-	0.54	3.00
More than 1 years and up to 2 years	-	0.54	1.50	0.20
More than 2 years and up to 3 years	2.04	1.50	0.20	-
More than 3 years	0.20	0.20	-	-
Total	**2.24**	**2.24**	**2.24**	**3.20**

6.4 There are no projects which are temporarily suspended. Accordingly, such disclosure for intangible assets is not applicable.

6.5 For intangible assets under development, whose completion is overdue to its original plan, the expected completion schedule is as below:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Up to 1 year	2.24	2.24	-	-
More than 1 years and up to 2 years	-	-	2.24	-
More than 2 years and up to 3 years	-	-	-	2.24
More than 3 years	-	-	-	-
Total	**2.24**	**2.24**	**2.24**	**2.24**

7 Right of use assets

Particular	Office Premises	Leasehold Land	Plant and Machinery	Total
Gross carrying Amount				
As at 1st April 2018	**159.02**	**33.62**	**187.90**	**380.54**
Foreign currency translation reserve	-	-	2.18	2.18
Additions	6.76	-	14.79	21.55
Disposal / adjustment	-	-	-	-
As at 31st March, 2019	**165.78**	**33.62**	**204.87**	**404.27**
Add/(less): Impact on account of Ind AS 116 (Refer Note 59.5 and 59.7)	(19.94)	(0.65)	(64.36)	(84.95)
As at 1st April, 2019	**145.84**	**32.97**	**140.51**	**319.32**
Foreign currency translation reserve	-	-	(17.60)	(17.60)
Additions	7.32	-	251.62	258.94
Disposal / adjustment	-	-	-	-
As at 31st March, 2020	**153.16**	**32.97**	**374.53**	**560.66**
Add/(less): Impact on account of different transition date of 1st April, 2020 (Refer note 59.4 and 59.6)	(21.34)	(0.65)	(75.52)	(97.51)
As at 1st April, 2020	**131.82**	**32.32**	**299.01**	**463.15**
Foreign currency translation reserve	-	-	(0.42)	(0.42)
Additions	6.47	-	287.65	294.12
Disposal / adjustment	-	-	-	-
As at 31st March, 2021	**138.29**	**32.32**	**586.24**	**756.85**
As at 1st April, 2021	**138.29**	**32.32**	**586.24**	**756.85**
Foreign currency translation reserve	-	-	2.96	2.96
Additions	0.01	-	17.13	17.14
Disposal / adjustment	-	-	-	-
As at 31st December, 2021	**138.30**	**32.32**	**606.33**	**776.95**
Depreciation and Impairment				
As at 1st April 2018	**-**	**-**	**-**	-
Depreciation charge for the year	23.24	0.65	59.93	83.82
Disposal / adjustment	-	-	-	-
As at 31st March, 2019	**23.24**	**0.65**	**59.93**	**83.82**
Add/(less): Impact on account of Ind AS 116 (Refer Note 59.5 and 59.7)	(23.24)	(0.65)	(59.93)	(83.82)
As at 1st April 2019	**-**	**-**	**-**	**-**
Depreciation charge for the year	25.80	0.65	79.51	105.96
Disposal / adjustment	-	-	-	-
As at 31st March, 2020	**25.80**	**0.65**	**79.51**	**105.96**
Add/(less): Impact on account of different transition date of 1st April, 2020 (Refer note 59.4 and 59.6)	(25.80)	(0.65)	(79.51)	(105.96)
As at 1st April, 2020	**-**	**-**	**-**	**-**
Depreciation charge for the year	25.43	0.65	101.36	127.44
Disposal / Adjustment	-	-	-	-
As at 31st March, 2021	**25.43**	**0.65**	**101.36**	**127.44**
As at 1st April, 2021	**25.43**	**0.65**	**101.36**	**127.44**
Foreign Currency Translation Reserve	-	-	0.35	0.35
Depreciation charge for the period	19.37	0.49	84.44	104.30
Disposal / Adjustment	-	-	-	-
As at 31st December, 2021	**44.80**	**1.14**	**186.15**	**232.09**
Net carrying amount				
As at 31st March, 2019	**142.54**	**32.97**	**144.94**	**320.45**
As at 31st March, 2020	**127.36**	**32.32**	**295.02**	**454.70**
As at 31st March, 2021	**112.86**	**31.67**	**484.88**	**629.41**
As at 31st December 2021	**93.50**	**31.18**	**420.18**	**544.86**

7.1 The leases primarily consists of plants and equipment, office premises and leasehold land with the lease term of more than 12 months. Refer note 23.1 for other disclosures related to right-of-use asset.

7.2 The lease agreement for leasehold land and office premises is in the name of the group.

7.3 Refer Note 23 for information on hypothecation of right-of-use assets.

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

8 Non Current Investments - Unquoted

(A) Investments accounted for using equity method - Joint ventures

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(i) Roserve Enviro Private Limited				
Number of equity shares (face value of Rs. 1,000 each): 183,804 (183,804; 183,804; 1,20,082)	183.80	183.80	183.80	120.08
Cumulative share of profit and OCI of joint venture	24.55	16.84	10.83	11.89
	208.35	**200.64**	**194.63**	**131.97**
(ii) WHE Systems (FZC)				
Number of equity shares (face value of AED 1,500 each): 50 (Nil; Nil; Nil)	1.52	-	-	-
Cumulative share of loss and OCI of joint venture	(0.04)	-	-	-
	1.48	**-**	**-**	**-**
Total	**209.83**	**200.64**	**194.63**	**131.97**

(B) Other Investments -Unquoted - At fair value through profit and loss

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(i) Saraswat Cooperative Bank	0.08	0.08	0.08	0.08
Number of equity shares (face value of Rs. 10 each): 7,500 (7,500; 7,500; 7,500)				
(ii) Rochem Green Energy Private Limited				
Number of 10% redeemable preference shares (face value of Rs. 1,000 each): 10,000 (10,000; 10,000; 10,000) at FVTPL	447.50	447.50	447.50	447.50
Less: Fair value written down (Refer note 8.2)	(447.50)	(447.50)	(447.50)	(447.50)
	-	-	-	-
(iii) Deemed investment with respect to financial guarantee issued in favour of related parties (Refer note 8.4)	2.87	2.17	1.64	1.64
Total	**2.95**	**2.25**	**1.72**	**1.72**

8.1 Other disclosure related to investments

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Aggregate amount of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	660.28	650.39	643.85	581.19
Market value of quoted investments	-	-	-	-
Aggregate amount of fair value written down in value of investments	(447.50)	(447.50)	(447.50)	(447.50)

8.2 Due to the continous losses incurred by the related parties of the group, the group has written down the fair value of its other investments to the extent as mentioned below:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Fair value of investment in Rochem Green Energy Private Limited written down	447.50	447.50	447.50	447.50

8.3 The joint ventures of the Group are individually not material to the Group. Following table summarises the aggregate information with respect to joint ventures:

Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
The Group's share of profit/(loss) from continuing operations	7.37	6.51	(0.02)	6.35
The Group's share of other comprehensive income	0.31	(0.50)	0.17	-
The Group's share of total other comprehensive income	7.68	6.01	0.15	6.35
Aggregate carrying amount of the Group's interest in this joint ventures	209.83	200.64	194.63	131.97

8.4 The Group has provided financial guarantees in favour of certain related parties. The Group has not charged any commission from such related parties and has accounted for the same in accordance with Ind AS 109 "Financial Instruments". Refer note:56

9 Other financial assets - Non-current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Unsecured, considered good unless otherwise stated				
Security deposits (Refer note 9.1)	93.07	101.40	68.86	47.02
Bank deposits with more than 12 months maturity (Refer note 9.2)	16.25	2.87	0.49	0.48
Total	**109.32**	**104.27**	**69.35**	**47.50**

9.1 Details of security deposits made to related party which represent the present value of gross amount:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Concord Shipping Private Limited	54.29	50.87	35.47	22.83
Roserve Enviro Private Limited	-	-	3.52	7.09

9.2 Details of fixed deposits under lien is as below:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(a) Fixed deposits placed with group bankers as securities for its customers. The physical custody of the fixed deposit is with the customer.	-	0.49	0.49	0.48
(b) Fixed deposit earmarked with bank under lien against bank guarantees issued by the group.	16.25	2.38	-	-

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(Amount in millions, unless otherwise stated)

10 Significant component of the Group's net deferred tax are as follows:

Particulars	As at 31st December,2021		
	Opening	Recognised in statement of profit and loss	Closing
Property,plant and equipment	(57.84)	5.33	(52.51)
Right to use assets	(7.08)	0.32	(6.75)
Expected credit loss	100.97	7.72	108.69
Employee benefit	12.82	1.86	14.68
Others	(0.31)	2.55	2.24
Total	**48.57**	**17.77**	**66.34**

Particulars	As at 31st March, 2021		
	Opening	Recognised in statement of profit and loss	Closing
Property,plant and equipment	(54.64)	(3.20)	(57.84)
Right to use assets (includes impact on account of different transition date of 1st April, 2020 (Refer Note 59.4)	0.60	(7.68)	(7.08)
Expected credit loss	92.27	8.70	100.97
Employee benefit	11.30	1.52	12.82
Others	(1.37)	1.06	(0.31)
Total	**48.17**	**0.40**	**48.57**

Particulars	As at 31st March, 2020		
	Opening	Recognised in statement of profit and loss	Closing
Property,plant and equipment	(74.77)	20.13	(54.64)
Right to use assets	(2.47)	(1.88)	(4.35)
Expected credit loss	103.55	(11.28)	92.27
Employee benefit	9.53	1.77	11.30
Others	1.33	(3.26)	(1.37)
Total	**37.17**	**5.48**	**43.22**

Particulars	As at 31st March, 2019		
	Opening	Recognised in statement of profit and loss	Closing
Property,plant and equipment	(85.66)	10.89	(74.77)
Right to use assets	10.30	(12.77)	(2.47)
Expected credit loss	113.27	(9.72)	103.55
Employee benefit	7.58	1.95	9.53
Others	3.70	(2.37)	1.33
Total	**49.19**	**(12.03)**	**37.17**

10.1 Deductible temporary differences for which no deferred tax asset is recognised in the Balance Sheet in respect of :

Particulars	Year of expiry	Carry forward losses for Future year (as at 31st December, 2021)	Carry forward losses for Future year (as at 31st March, 2021)	Carry forward losses for Future year (as at 31st March, 2020)	Carry forward losses for Future year (as of 31st March, 2019)
Business loss:					
AY 2014-15	March 2022	2.69	2.71	2.71	3.83
AY 2016-17	March 2024	1.19	1.19	1.19	1.19
AY 2017-18	March 2025	8.04	8.04	8.04	8.04
AY 2018-19	March 2026	-	-	2.10	2.98
AY 2019-20	March 2027	3.52	3.49	4.05	4.07
AY 2021-22	March 2029	3.92	3.92	-	-
AY 2022-23	March 2030	37.82	-	-	-
Unabsorbed depreciation:					
AY 2010-11	NA	-	-	-	0.04
AY 2014-15	NA	0.04	0.04	0.04	0.04
AY 2016-17	NA	0.04	0.04	0.04	0.04
AY 2017-18	NA	0.04	0.04	0.04	0.04
AY 2019-20	NA	0.02	0.02	0.02	0.02
AY 2021-22	NA	0.02	0.02	-	-
AY 2022-23	NA	0.01	-	-	-
Sub-Total		**57.35**	**19.51**	**18.23**	**20.29**
Long term capital loss:					
AY 2013-14	March 2021	-	-	27.57	27.57
Sub-Total		**-**	**-**	**27.57**	**27.57**
Short term capital loss:					
AY 2019-20	March 2027	0.02	0.02	0.02	0.02
AY 2021-22	March 2029	3.20	3.20	-	-
Sub-Total		**3.22**	**3.22**	**0.02**	**0.02**
Total		**60.57**	**22.73**	**45.82**	**47.88**

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11 Current tax assets (net)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Advance tax & Tax deducted at source (net of provision for tax) (Refer note 11.1)	11.01	3.68	2.60	2.25
Total	**11.01**	**3.68**	**2.60**	**2.25**

11.1 Above tax assets are net of:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Tax paid	60.81	34.12	32.50	29.48
Less: Provision for income tax	(49.80)	(30.44)	(29.90)	(27.23)
Total	**11.01**	**3.68**	**2.60**	**2.25**

12 Other non-current assets

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Prepaid expenses	5.24	2.73	1.09	2.21
Capital advance to other than related parties - considered good (Refer note 12.1 and 12.2)	24.15	22.51	22.19	54.09
Capital advance to related party (Refer note 12.4 and note 56)				
- Considered good	-	-	140.83	136.01
- Considered doubtful (Refer note 12.5)	65.85	65.85	65.85	65.85
Less - Allowance for doubtful advances	(65.85)	(65.85)	(65.85)	(65.85)
Sub-total of capital advannce	**24.15**	**22.51**	**163.02**	**190.10**
Investment in gold (Refer note 12.3)	6.67	6.67	6.67	6.67
Advances for supply of goods and services to related parties (Refer note 56)	14.79	14.57	35.65	32.66
Balance with government authorities	1.18	1.18	1.20	5.21
Total	**52.03**	**47.66**	**207.63**	**236.85**

12.1 The Group has entered into an Memorandum of Understanding with Vijayalakshmi Realtors for purchase of land at Survey No. 55, Village Bilalpada, Taluka Vasai admeasuring 17.17 Gunthas for total consideration of Rs. 20.57 millions. Proceedings for transfer of title deed is currently in progress. However, the party has made an application for obtaining the clearance certificate (CC) for carrying out development on land.

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Details of advance payment made to Vijayalakshmi Realtors	20.57	20.57	20.57	19.87

12.2 The Company (Rochem Services Private Limited (formely known as "Concord Blue Technology Private Limited)) had entered into an Memorandum of Understanding dated 30 July 2015 with Renaissance Indus Infra Private Limited for purchase of plot no. 002, 027, 003 and 026, admeasuring 60,048 sq. ft. area or thereabout, in Renaissance Industrial Smart City (previously known as Industrial Park), lying, being and situated at village Vashere, Taluka Bhiwandi, District Thane for the total consideration of Rs. 33.27 million. Against this the demerged Company had paid the entire amount to the Renaissance Indus Infra Pvt. Ltd. The title deeds of the land have been transferred in the name of the company on 9th January, 2020.

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Details of advance payment made to Renaissance Indus Infra Private Limited	-	-	-	33.27

12.3 Gold is in the personal custody of the directors of the Company. The market value as per valuers certificate is as below:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Market value of gold	33.33	31.35	29.98	21.75

12.4 Capital advance to related party

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Rochem Green Energy Private Limited	65.85	65.85	206.68	201.86

12.5 Movement in allowance for advances to related party are as follows:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period / year	(65.85)	(65.85)	(65.85)	(65.85)
Add: Provided during the period / year	-	-	-	-
Less: Utilization during the period / year	-	-	-	-
Balance at the end of the period / year	**(65.85)**	**(65.85)**	**(65.85)**	**(65.85)**

13 Inventories (Cost or NRV whichever is lower)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Raw materials (Refer note 13.1)	1,078.69	932.91	1,045.16	788.61
Work in Progress	198.79	170.83	402.87	272.62
Finished goods	130.39	73.64	131.01	154.00
Total	**1,407.87**	**1,177.38**	**1,579.04**	**1,215.23**

13.1 Raw materials include stock in trade, as both are stocked together and goods-in-transit the details of which is as below:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Goods-in-transit included in raw materials	26.86	17.94	37.50	0.80

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14 Trade receivables

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Unsecured				
- Considered good (Including related party receivable) (Refer note 56)	1,094.12	1,520.96	1,484.07	1,268.30
- Trade Receivables which have significant increase in credit risk	471.76	453.98	448.81	424.67
Sub-total	**1,565.88**	**1,974.94**	**1,932.88**	**1,692.97**
Less: Allowance for expected credit losses (ECL)	471.76	453.98	448.81	424.67
Total	**1,094.12**	**1,520.96**	**1,484.07**	**1,268.30**

14.1 Trade receivable ageing:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Undisputed Trade Receivables-considered good				
- Less than 6 months	969.85	1,397.47	1,341.11	1,100.25
- 6 Months - 1 year	65.20	76.93	42.72	148.54
- 1-2 years	31.96	20.16	47.54	9.31
- 2-3 years	6.14	4.15	29.24	3.04
More than 3 years	16.76	17.91	18.73	-
Sub-total	**1,089.91**	**1,516.62**	**1,479.34**	**1,261.14**
Undisputed trade receivables which have significant increase in credit risk				
- Less than 6 months	146.51	160.13	165.75	147.80
- 6 Months - 1 year	48.15	48.32	49.05	41.90
- 1-2 years	76.27	65.59	45.48	37.90
- 2-3 years	124.55	106.73	31.58	123.37
More than 3 years	54.14	51.18	135.30	50.46
Sub-total	**449.62**	**431.95**	**427.16**	**401.43**
Disputed Trade Receivables-considered good				
- Less than 6 months	-	-	0.01	-
- 6 Months - 1 year	-	-	0.11	2.38
- 1-2 years	-	0.04	0.27	4.30
- 2-3 years	0.04	0.25	3.58	0.45
More than 3 years	4.17	4.05	0.76	0.03
Sub-Total	**4.21**	**4.34**	**4.73**	**7.16**
Disputed Trade Receivables-considered doubtful				
- Less than 6 months	-	-	0.01	-
- 6 Months - 1 year	-	-	0.13	3.16
- 1-2 years	-	0.24	1.26	18.05
- 2-3 years	0.21	1.29	16.72	1.90
More than 3 years	21.94	20.51	3.53	0.13
Sub-Total	**22.15**	**22.04**	**21.65**	**23.24**
Total	**1,565.88**	**1,974.94**	**1,932.88**	**1,692.97**

14.2 Movement of Expected Credit Loss Allowance

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period / year	**453.98**	**448.81**	**424.67**	**441.44**
Add: Provided/(Reversal) during the period / year	19.16	24.45	18.26	(0.45)
Less: Amount Written off	(0.92)	(21.57)	-	(16.32)
Changes due to foreign exchange gain / (loss)	(0.46)	2.29	5.88	-
Balance at the end of the period / year	**471.76**	**453.98**	**448.81**	**424.67**

14.3 There were no receivables due by directors or any of the officers of the Group. For receivables from related parties (Refer note 56)

14.4 The Group always measures the loss allowance for trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate, and an assessment of both the current as well as the forecast direction of

14.5 The average credit period ranges from 90 to 120 days depending on the nature of revenue. No interest is charged on outstanding trade receivables.

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15 Cash and cash equivalent

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Cash in hand	3.91	2.36	2.53	0.45
Balances with bank				
- In current accounts	80.29	101.90	28.94	14.87
- In fixed deposits (With original maturity of 3 months or less)	-	-	0.04	-
Total	**84.20**	**104.26**	**31.51**	**15.32**

16 Other bank balances

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balances with banks:				
- In deposit accounts with maturity of less than 3 months*	18.44	18.19	15.52	67.29
- In deposit accounts with maturity of more than 3 months but less than 12 months*	76.50	80.56	73.83	28.82
- Margin money with banks*	-	0.01	3.95	82.77
- In current account (earmarked balances for CSR expenditure)	0.38	-	-	-
Total	**95.32**	**98.76**	**93.30**	**178.88**

*Fixed deposit is given as margin money to the Bank for guarantee given by bank to government and other authorities on behalf of the Company and group entities.

17 Loans

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(Unsecured considered good, unless otherwise stated)				
Loans to employee	1.25	0.61	0.45	0.41
Loans to other parties*	10.00	10.00	-	-
Total	**11.25**	**10.61**	**0.45**	**0.41**

*The loan has been given on 11th August, 2020 for the period of 18 months @ 11% p.a. for business/corporate general purpose and is repayable on demand. Interest is receivable on yearly basis.

18 Other financial assets (Current)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good unless otherwise stated)				
Interest accrued on fixed deposits with Banks	1.27	2.12	2.79	1.02
Interest receivable from others	0.83	0.42	-	-
Security deposits	22.01	20.41	26.48	31.99
Receivable from bank- considered good	-	-	-	1.07
Receivable from bank- significant increase in credit risk	-	1.07	1.07	-
Less - Allowance for receivable from bank	-	(1.07)	(1.07)	-
	-	-	-	1.07
Financial asset at fair value through profit & loss (derivative)	-	-	0.78	-
Total	**24.11**	**22.95**	**30.05**	**34.08**

18.1 Movement in allowance for doubtful receivable from bank are as follows:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period / year	1.07	1.07	-	-
Add: Provided during the period / year	-	-	1.07	-
Less: Amount written-off during the period / year	(1.07)	-	-	-
Balance at the end of the period / year	**-**	**1.07**	**1.07**	**-**

19 Other current assets

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(Unsecured, considered good unless otherwise stated)				
Balances with Government authorities	17.36	13.34	88.36	12.88
Prepaid expenses	17.46	64.99	104.77	29.60
Advances for supply of goods and services:				
- Related party	98.25	2.08	13.16	2.34
- To others - considered good	198.76	258.63	204.18	78.65
- To others - significant increase in credit risk	8.56	0.17	-	-
Less: Allowance for doubtful advances (Refer note 19.1)	(8.56)	(0.17)	-	-
	297.01	**260.71**	**217.34**	**80.99**
Advance to employees	3.74	4.65	7.99	6.51
Unbilled Revenue	110.73	48.28	-	-
Total	**446.30**	**391.97**	**418.46**	**129.98**

19.1 Movement in allowance for doubtful advances are as follows:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period / year	0.17	-	-	-
Add: Provided during the period / year	8.39	0.17	-	-
Less: Utilization during the period / year	-	-	-	-
Balance at the end of the period / year	**8.56**	**0.17**	**-**	**-**

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20 Equity share capital

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Authorised share capital				
Equity Shares				
Face value (Refer note 53.3)	100.00	100.00	100.00	100.00
No. of shares	50,000	50,000	50,000	50,000
Amount	5.00	5.00	5.00	5.00
Total	**5.00**	**5.00**	**5.00**	**5.00**
Issued, subscribed and paid-up share capital				
Equity Shares				
Face value (Refer note 53.3)	100.00	100.00	100.00	100.00
No. of shares	42,556	30,805	30,805	30,805
Amount	3.08	3.08	3.08	3.08
Add: Reclassified from Financial Liabilty (Refer note 20.10)	1.18	-	-	-
Total	**4.26**	**3.08**	**3.08**	**3.08**

20.1 Equity share capital as per Companies Act, 2013

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Equity Share Capital				
Authorized Share Capital [Refer note 53.3]				
50,000 equity shares of Rs 100 each	5.00	5.00	5.00	5.00
Issued, subscribed and fully paid up [Refer note 53.3]				
42.556 fully paid equity shares of Rs. 100 each	4.26	4.26	4.26	4.26

Fully paid equity shares, which have a par value of Rs. 100 carry one vote per share and carry a right to dividend (Refer Note 53.3).

20.2 Rights, preferences and restrictions attached to equity shares

The company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

20.3 Fully paid equity shares under Companies Act, 2013

Particulars	Number of shares	Share capital (Amount)
Balance at 1st April, 2018	**42,556**	**4.26**
Changes in share capital during the year	-	-
Balance at 31st March, 2019	**42,556**	**4.26**
Changes in share capital during the year	-	-
Balance at 31st March, 2020	**42,556**	**4.26**
Changes in share capital during the year	-	-
Balance at 31st March, 2021	**42,556**	**4.26**
Changes in share capital during the period	-	-
Balance at 31st December, 2021	**42,556**	**4.26**

20.4 Details of shareholders holding more than 5 % shares

Particulars	Details	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Mrs Pushpa Goel	Number of Shares	12,600	12,600	12,600	12,600
	Shareholding percentage	29.61%	29.61%	29.61%	29.61%
Mr. Prayas Goel	Number of Shares	7,530	7,530	7,530	7,530
	Shareholding percentage	17.69%	17.69%	17.69%	17.69%
Mr. Prerak Goel	Number of Shares	7,525	7,525	7,525	7,525
	Shareholding percentage	17.68%	17.68%	17.68%	17.68%
AFHoldings, Mauritius (Body Corporate)	Number of Shares	11,751	11,751	11,751	11,751
	Shareholding percentage	27.61%	27.61%	27.61%	27.61%

20.5 Details of Promoter Shareholding in the group

Name of the promoter	Details	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Mr. Prayas Goel	Number of Shares	7,530	7,530	7,530	7,530
	Shareholding percentage	17.69%	17.69%	17.69%	17.69%
	Percentage change during the period/ year	-	-	-	-
Mr. Prerak Goel	Number of Shares	7,525	7,525	7,525	7,525
	Shareholding percentage	17.68%	17.68%	17.68%	17.68%
	Percentage change during the period/ year	-	-	-	-

20.6 Preference Share Capital as per Companies Act, 2013

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Authorized Share Capital				
0.001% compulsorily convertible non-cumulative preference shares				
Face value	1,000.00	1,000.00	1,000.00	1,000.00
No. of shares	4,20,000	4,20,000	4,20,000	4,20,000
Amount	420.00	420.00	420.00	420.00
Issued, subscribed and paid-up Share Capital				
0.001% compulsorily convertible non-cumulative preference shares				
Face value	1,000.00	1,000.00	1,000.00	1,000.00
No. of shares	7,999	7,999	7,999	7,999
Amount	8.00	8.00	8.00	8.00
Total	**8.00**	**8.00**	**8.00**	**8.00**

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(Amount in millions, unless otherwise stated)

20.7 Reconciliation of Instruments entirely of equity nature outstanding at the beginning and at the end of the period/ year

Particulars	Number of shares	Share capital (Amount)
Balance at 1st April, 2018	-	-
Changes in share capital during the year	-	-
Balance at 31st March, 2019	-	-
Changes in share capital during the year	-	-
Balance at 31st March, 2020	-	-
Changes in share capital during the year	-	-
Balance at 31st March, 2021	-	-
Add - Reclassified from financial liabilty (Refer note 20.10)	7,999	8.00
Balance at 31st December, 2021	**7,999**	**8.00**

20.8 Rights, preferences and restrictions attached to preference shares
0.001% compulsorily convertible non-cumulative preference shares

The Company has 0.001% non cumulative convertible preference shares (Rs.1,000/- each) having a term of 20 years .The preference shares holders has right to convert their shares into equity shares at conversion ratio of 1:1 and as per the terms of agreement.The non cumulative preference shares shall rank senior to equity shares and all other preference shares at all times and in all events. The preference shares are entitled to receive dividend @ 0.001% as declared from time to time. The voting rights of preference shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up preference capital of the company. Also, refer note 20.10 below.

20.9 Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Particulars	Details	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
AF Holdings, Mauritus	Number of Shares	7,999	7,999	7,999	7,999
	Shareholding percentage	100.00%	100.00%	100.00%	100.00%

20.10 As per the agreement among the shareholders and the Company ('SHA') read with subsequent amendments thereon, the Company was to initiate and successfully consummate Qualified Initial Public Offer (QIPO) by 6th February, 2020. In case the Company fails to consummate the QIPO with in the QIPO period, the investors (AF Holdings, Mauritius) shall have the right to call upon the Company to convert all equity securities (including Non-Cumulative Convertible Preference Shares) held by it into equity shares and then subject to applicable law, complete the buy back by the Company and/ or purchase by promoters the equity shares held by them at a price which is higher of (i) fair market value of the investor share or (ii) 2 times the aggregate of investment amount including of any cash/accrual payments of interest or coupons already paid, on an INR basis ('buyback price').

Since the Company has an obligation to buy back the aforesaid equity securities, in case of non-consummation of QIPO within the QIPO period, which is not in the control of the Company, in accordance with Ind AS 32 'Financial Instruments: Presentation', equity shares and Non-Cumulative Convertible Preference Shares held by the investors have been classified as financial liability (Borrowings). Further, the securities premium and retained earnings has also been classified as financial liability (Borrowings) to the extent of buy back price.

Effective 1st April 2021, pursuant to the amendment in agreement among the shareholders and the Company, the clause for buy back is deleted in its entirety and hence, the equity share capital, Non-Cumulative Convertible Preference Shares, securities premium and retained earnings have been reclassified from financial liability (Borrowings) into Equity.

21 Other equity

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Securities premium reserve				
Opening Balance	-	-	-	-
Add: Reclassified from financial liability (Refer Note 20.10)	913.03	-	-	-
Closing balance	**913.03**	-	-	-
Capital reserve on consolidation				
Opening balance	17.35	17.35	17.35	17.35
Add: Movement during the period/year	-	-	-	-
Closing balance	**17.35**	**17.35**	**17.35**	**17.35**
General Reserve				
Opening Balance	11.22	11.22	11.22	11.22
Add: Movement during the period/year	-	-	-	-
Closing balance	**11.22**	**11.22**	**11.22**	**11.22**
Retained earnings				
Opening Balance	(172.97)	(336.97)	(413.55)	(572.07)
(less): Impact on account of change in transition date to 1st April, 2020 (Refer note 59.4 and 59.6)	-	(34.12)	-	-
(less): Impact on account of IND AS 116 (Refer Note 59.5 and 59.7)	-	-	(2.02)	
Add: Profit for the period /year	30.26	198.12	78.60	158.52
Add: Reclassified from financial liability (Refer Note 20.10)	1,677.80	-	-	-
Closing balance	**1,535.08**	**(172.97)**	**(336.97)**	**(413.55)**
Financial instrument classified as equity				
0.001% compulsorily convertible non cumulative preference shares				
Opening Balance	-	-	-	-
Add: Reclassified from financial liability (Refer Note 20.10)	8.00	-	-	-
Closing Balance	8.00	-	-	-
Other comprehensive income				
Foreign currency translation reserve				
Opening Balance	34.31	109.22	33.14	(9.81)
Add/(less): Impact on account of change in transition date to 1st April, 2020 (Refer note 59.4 and 59.6)	-	(14.61)	-	-
Add/(less): Impact on account of adoption of IND AS 116 (Refer note 59.5 and 59.7)	-	-	(0.77)	-
Add: Arising during the period /year	15.65	(60.30)	76.85	42.95
Closing balance	**49.96**	**34.31**	**109.22**	**33.14**
Remeasurement benefits				
Opening Balance	0.01	(5.77)	(1.48)	-
Add/(less): Impact on account of change in transition date to 1st April, 2020 (Refer note 59.4 and 59.6)	-	5.77		
Remeasurement gain/ (loss) for the period /year	(1.02)	0.01	(4.29)	(1.48)
Closing balance	**(1.01)**	**0.01**	**(5.77)**	**(1.48)**
Total	**2,533.64**	**(110.08)**	**(204.95)**	**(353.32)**

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21.1 Nature and Purpose of Reserve

Name of Reserve	Nature and Purpose of Reserve
Securities premium reserve	Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.
Capital reserve on consolidation	This reserve is pertaining to business combinations in consolidated financials of subsidiary.
General Reserve	General reserve represents portion of profits mandatorily transferred to it before declaring dividend pursuant to the provisions of Companies Act, 1956. Such mandatory transfer is not required under the Companies Act, 2013.
Retained Earnings	Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve if any, dividend or other distributions paid to shareholders.
0.001% compulsorily convertible non cumulative preference shares	0.001% compulsorily convertible non cumulative preference shares issued by the Group are classified separately as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.
Foreign currency translation reserve	The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity in the foreign currency translation reserve
Remeasurement benefits	This reserve contains cumulative gains and losses on remeasurement of post-employment defined benefits obligations.

22 Borrowings

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Non-current borrowings				
Secured				
Term loans				
- From banks (Refer note 22.1 and 22.2)	5.10	12.64	42.14	50.11
- From financial institutions (Refer note 22.1 and 22.2)	399.49	293.88	-	-
Unsecured				
Loan from related party				
- Financial instrument classified as financial liability (Refer Note 20.10)	-	-	-	2,290.70
- 0.001% unsecured compulsory convertible debenture of Rs.12,000 /- each classified as financial liability	-	8.58	8.58	8.58
			-	-
Total	**404.59**	**315.10**	**50.72**	**2,349.39**

22.1 Breakup of secured term loans from bank and financial institutions

Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Bank				
HDFC Bank (Refer Note 22.2(a) and note 22.3)	2.41	3.33	4.46	5.50
ICICI Bank (Refer Note 22.2(b) and note 22.3)	6.12	8.18	9.79	3.06
Bank of India (Refer Note 22.2 (c) (i) and (ii) and note 22.3)	11.64	21.73	-	1.36
National Bank of Fijariah (Refer Note 22.2(e))	-	-	31.68	43.66
Abu Dhabi Commercial Bank (Refer note 22.2 (e))	0.48	0.76	1.10	1.31
RAK Bank (Refer note 22.2 (e))	-	-	0.28	1.03
Sub-total	**20.65**	**33.99**	**47.32**	**55.93**
Financial Institution				
Aditya Birla Finance Limited (Refer Note 22.2(d)) and note 22.3)	59.05	67.36	-	-
Global Climate Partnership Fund SA (Refer Note 22.2(f))	352.61	237.75	-	-
Sub-total	**411.66**	**305.11**	-	-
Total	**432.31**	**339.10**	**47.32**	**55.93**
Presented as				
Long term loans (Note 22)	404.59	306.52	42.14	50.11
Current maturities of long term borrowing (Note 27)	27.72	32.58	5.18	5.82
Total	**432.31**	**339.10**	**47.32**	**55.93**

22.2 Terms and conditions:

(a) Loan from HDFC Bank

(i) Pertains to vehicle loan taken during FY 2017-18 which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.02 million each commencing from 5 October 2017. The term loan is secured by hypothecation of vehicle acquired under the loan.

(ii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.05 million each commencing from 7 January 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.

(iii) Pertains to vehicle loan taken during FY 2018-19 which carries interest rate of 8.85% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.05 million each commencing from 7 January 2019. The term loan is secured by hypothecation of vehicle acquired under the loan.

(b) Loan from ICICI Bank

(i) Pertains to vehicle loan taken during FY 2016-17 which carries interest rate of 9.35% per annum. It is repayable in 59 equal monthly instalments of Rs. 0.05 million each commencing from 15 August 2016. The term loan is secured by hypothecation of vehicle acquired under the loan.

(ii) Pertains to vehicle loan during FY 2017-18 taken which carries interest rate of 8.40% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.03 million each commencing from 5 August 2017. The term loan is secured by hypothecation of vehicle acquired under the loan.

(iii) Pertains to equipment loan taken during FY 2018-19 which carries interest rate of 9.50% per annum. It is repayable in 35 equal monthly instalments of Rs. 0.03 million each commencing from 7 December 2018. The term loan is secured by hypothecation of equipment acquired under the loan.

(iv) Pertains to equipment loan taken during FY 2019-20 which carries interest rate of 8.90% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.18 million each commencing from 10 October 2019. The term loan is secured by hypothecation of equipment acquired under the loan.

(v) Pertains to equipment loan taken during FY 2020-21 which carries interest rate of 8.00% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.02 million each commencing from 5 November 2020. The term loan is secured by hypothecation of equipment acquired under the loan.

(c) Loan from Bank of India

(i) The term loan is taken from Bank of India during the financial year 2013-14 which carries interest rate of 13.65% per annum. It is repayable in 60 equal monthly instalments of Rs. 0.23 million commencing from October 2014. The term loan is secured by specific charge on the asset acquired under the loan. The loan is also backed by personal guarantee of Prayas Goel and Prerak Goel, directors of the Company. The loan is fully repaid during financial year 2019-20.

(ii) The group has taken a loan from Bank of India of Rs. 23.5 millions under COVID Emergency Support Scheme 2020. (CESS-2020) of Government of India. It is repayable in 6 equal monthly instalments of Rs. 0.59 million , 11 equal monthly instalments of Rs. 1.66 millions and one monthly instalment of Rs. 1.66 millions with first installment commencing from 31 January 2021 which carries interest rate of 7.70%. The loan is secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery.

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(d) Loan from Aditya Birla Finance Limited

The group has taken a loan from Aditya Birla Finance Limited of Rs. 69.10 millions during the financial year 2020-21. It is repayable in 60 equal monthly instalments of Rs. 1.49 millions commencing from 1 February 2021 which carries interest rate of 10.75% per annum. The loan is secured by specific charge on the retention money of Rs. 88.74 millions from specific parties. 80% of the retention money received or realised from the specific parties shall be utilsed for the repayment of the loan.

During the period and in the previous year, in case of Rochem Separation Systems India Private Limited, there was a breach in maintaining one of the financial covenant. Outstanding amount as at the year-end in respect of such borrowing amounted to Rs 59.05 millions as at 31st December, 2021, Rs 67.36 millions as at 31st March, 2021. Till the date of approval of financial statements by the Board of Directors, the lender has not demanded for any accelerated repayment of borrowings and the term of borrowings were not changed. Rochem Separation Systems (India) Private Limited has not defaulted in payment of its interest and principal that are due on borrowings.

(e) Business Loans, vehicle loan and working capital loan (overdraft) from RAK Bank, Dubai, National Bank of Fujairah, Sharjah and Abu Dhabi Commercial Bank, Dubai are secured by the following:

(i) Joint and several personal guarantees of Mr. Suresh Kumar Bhatia, Mr. Prerak Goel and Mr. Ashish Singal (the "Guarantors").
(ii) Cross Corporate Guarantees between Ms Blue Water Trading & Treatment FZE and M/s Concord Enivro FZE, SAIF Zone, Sharjah, UAE.
(iii) Pledge over Fixed deposit of AED 1.88 millions (INR equivalent as on 31st December, 2021: 37.93 millions) in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah.
(iv) Pledge over Fixed deposit of AED 0.14 million (INR equivalent as on 31st December, 2021: 2.73 millions) in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah. Pledge amount to be built upto AED 0.18 million (INR equivalent as on 31st December, 2021: 3.64 millions) by monthly deposit of AED 0.02 million (INR equivalent as on 31st December, 2021: 0.30 millions).
(v) Settlement cheque covering total facility amount (less fixed deposit under pledge) drawn on National Bank of Fujairah PJSC, in favour of bank.
(vi) Assignment of insurance policy covering stock of AED 7.20 millions (INR equivalent as on 31st December, 2021: 145.63 millions) in favour of National Bank of Fujairah.
(vii) Un-dated security cheque for AED 0.50 millions (INR equivalent as on 31st December, 2021: 10.11 millions) infavour of National Bank of Fujairah, Dubai.

(f) Loan from Global Climate Partnership Fund SA

The above mentioned facility is repayable by 15 December, 2026. The interest rate of the loan is 6.25% per annum. 'The above facilities are secured by the following:
(i) Not to create or permit to subsist any security on the whole or any part of the secured assets or, the assets kept at its premises located in SAIF Zone.
(ii) Not to sell, transfer, grant, lease, lend assign or otherwise dispose of or deal with any of the secured assets kept in its premises located in SAIF Zone except in the ordinary course of business with prior written consent of the lender or permitted under the finance documents;
(iii) To take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of the secured assets and in the case of Concord Enviro FZE , the assets kept at its premises located in SAIF Zone.
(iv) Without prior consent of the Global Climate Partnership Fund S.A., SICAV-SIF any interest in the share capital of the Blue Waters Trading and Treatment FZE should not be disposed off.
(v) Concord Enviro FZE and Blue Waters Trading and Treatment FZE should always ensure that the collateralisation rate is at all times at least 130%.
(vi) Concord Enviro FZE and Blue Waters Trading and Treatment FZE as applicable shall grant security over any assets purchased with the proceeds of a disbursment by no later than six months of the relevant disbursement date. Any such security shall be in a form satisfactory of the lender securing the secured obligations.

22.3 These secured loans from banks and financial institutions are covered by personal guarantee of the Managing Director and Whole time Director of the group.

23 Lease liabilities (non-current)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Lease liabilities	357.18	434.14	313.98	198.07
Total	**357.18**	**434.14**	**313.98**	**198.07**

23.1 The carrying value of right-of-use assets is as under

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Carrying value of right-of-use assets at the end period/year (Refer Note 7)	544.86	629.41	454.70	320.45

23.2 Impact on statement of profit and loss

a)

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on lease liabilities	57.47	63.57	47.36	41.24
Depreciation on right of use assets	104.30	127.44	105.96	83.82
Expenses relating to short-term leases	4.41	34.26	5.78	2.85
Expenses relating to leases of low value assets	1.92	3.02	4.27	4.33
Gain from Sale and Leaseback	1.07	1.64	-	-

b)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Commitment towards Short term Lease	0.93	5.34	2.50	5.78

23.3 Movement of lease liabilities

Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning*	573.71	395.93	274.10	358.14
Additions during the period / year	17.14	294.12	258.94	21.55
Finance cost accrued during the period / year	57.47	63.57	47.36	41.24
Payment of lease liabilities during the period / year	(163.13)	(165.74)	(141.13)	(151.27)
Translation Reserve	14.36	(14.17)	(19.34)	2.75
Closing	**499.55**	**573.71**	**419.93**	**272.41**

For reconciliation of lease liability of respective closing and opening dates (Refer note 59.6 and 59.7)

23.4 Amount recognised in the statement of cash flow

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Payment of lease liabilities during the period / year	105.65	102.18	93.77	110.03
Finance cost paid during the period / year	57.47	63.57	47.36	41.24

24 Other financial liabilities - non-current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Fair value of of financial guarantee contracts*	2.31	2.42	1.78	2.55
Total	**2.31**	**2.42**	**1.78**	**2.55**

* Financial guarantee contracts has been issued in the favour of related parties.

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25 Provisions - non-current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits				
- Provision for gratuity (Refer note 50(ii)(a))	35.26	27.07	22.01	13.54
- Provision for leave benefit (Refer note 50(i)(b))	9.91	9.62	8.66	7.11
Total	**45.17**	**36.69**	**30.67**	**20.65**

26 Other non-current liabilities

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Deferred income liability on finance lease	1.78	2.71	-	-
Total	**1.78**	**2.71**	**-**	**-**

27 Borrowings - Current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Secured				
From bank, repayable on demand				
- Cash credit facility (Refer note 27.1 (a),(b) and 27.2)	304.90	376.42	573.53	414.63
- Bank Overdraft (Refer note 27.1(c))	-	9.77	14.65	20.98
- Buyer's Credit (Refer note 27.1(a) and 27.1(e))	29.69	34.38	-	-
-Trust receipts-National Bank of Fujairah (Refer note 27.1(g))	145.11	137.80	148.22	97.04
- Working capital Demand Loan (Refer note 27.1 (a), 27.1 (d) and 27.3)	205.00	90.00	51.82	24.30
Current maturities of long term borrowings (Refer note 22.1 and 22.2)	27.72	32.58	5.18	5.82
Unsecured				
Receivable factoring facility (Refer note 27.1(e))	-	-	32.67	-
Loan from related party (Refer note 56)				
- Financial instrument classified as financial liability (Refer note 20.10)	-	2,600.00	2,517.94	-
- Loan from AFHolding, Mauritus (Refer note 27.1 (h) and 27.3)	74.23	73.16	226.81	207.76
- Loan from directors (repayable on demand)	-	-	1.22	6.30
Total	**786.65**	**3,354.11**	**3,572.04**	**776.83**

27.1 Terms and conditions of loans from banks and financial institution:

(a) Secured by first pari passu charge on the current assets and office furniture of the Company and equitable mortgage on office premises, factory land, building and plant and machinery.
(b) Cash credit facilities from banks carry interest ranging between 9.50% to 10.40% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand.
(c) The bank overdraft facility from "The Saraswat Co-operative Bank Limited" is taken during the financial year 2017-18 . The Overdraft is secured by hypothecation of factory building at Vasai and Aurangabad property (which is in the name of the promoter group)
(d) **Working capital Demand Loan**
(i) Foreign currency working capital demand loan of USD 0.35 million (INR equivalent Rs. 25.00 millions) is taken from ICICI Bank during the year which carries interest rate at applicable USD 3-month Libor plus margin @ 4.80%.per annum has been repaid on due 14 November 2019.
(ii) Foreign currency working capital demand loan of USD 0.36 million (INR equivalent Rs. 25.00 millions) taken from ICICI Bank on 8 November 2019 which carried the interest rate at applicable coupon rate @ 8.55% fixed disbursement per annum has been repaid on 2 November 2020.
(iii) Foreign currency working capital demand loan of USD 0.35 million (INR equivalent Rs. 25.00 million) taken from ICICI Bank on 18 December 2019 which carried the interest rate at applicable coupon rate @ 6.55% fixed disbursement.per annum has been repaid on 18 December 2020.
(iv) The Company has taken a working capital demand loan from Standard Chartered Bank of Rs. 30.00 million on 6 March, 2021 which carries the interest rate 9.90% has been repaid on 29 May 2021.
(v) The Company has taken a working capital demand loan from ICICI Bank of Rs. 30.00 millions on 15 March 2021 which carried the interest rate @ 3-month IMCLR+spread 2.65% each has been repaid on 3 June 2021.
(vi) The Company has taken a working capital demand loan from ICICI Bank of Rs. 30.00 millions on 15 March 2021 which carried the interest rate @ 3-month IMCLR+spread 2.65% each has been repaid on 10 June 2021.
(vii) The Company has taken Foreign currency working capital demand loan during the nine month period ended 31st December, 2021 from ICICI Bank of USD 0.41 million (INR equivalent Rs. 30 million) which carries coupon rate 4% per annum (Fixed) and is repayable in the month of February 2022 and from IDFC first Bank of USD 2.36 million (INR equivalent of Rs. 175 million) which carries the interest rate in the range of 3.20% to 4.25% which is repayable in the month of February 2022.
(e) Buyer's credit facilities from banks carry interest rate at applicable USD LIBOR plus margin (rates are specified at the time of offer). Principal amount alongwith interest are payable on the date of maturity.

(f) **Receivable factoring facility from Avendus Finance Private Limited**
Receivable factoring facility from Avendus Finance Private Limited is taken during the year 2019-20 which carries interest rate at applicable HDFC MCLR plus margin @ 5.30%.per annum has been repaid during the financial year 2020-21. The facility was secured by corporate guarantee from Concord Enviro Systems Limited and personal guarantee of Mr. Prayas Goel and Mr. Prerak Goel.
(g) Business Loans, trust receipts, vehicle loan and working capital loan (overdraft) from RAK Bank, Dubai, National Bank of Fujairah, Sharjah and Abu Dhabi Commercial Bank, Dubai are secured by the following:
(i) Joint and several personal guarantees of Mr. Suresh Kumar Bhatia, Mr. Prerak Goel and Mr. Ashish Singal (the "Guarantors").
(ii) Cross Corporate Guarantees between Ms Blue Water Trading & Treatment FZE and M/s Concord Enivro FZE, SAIF Zone, Sharjah, UAE.
(iii) Pledge over Fixed deposit of AED 1.88 millions in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah.
(iv) Pledge over Fixed deposit of AED 0.14 million in the name of Blue Water Trading & Treatment FZE, in favour of National Bank of Fujairah, Sharjah. Pledge amount to be built upto AED 0.18 million by monthly deposit of AED 0.02 million.
(v) Settlement cheque covering total facility amount (less fixed deposit under pledge) drawn on National Bank of Fujairah PJSC, in favour of bank.
(vi) Assignment of insurance policy covering stock of AED 7.2 millions in favour of National Bank of Fujairah.
(vii) Un-dated security cheque for AED 0.50 million infavour of National Bank of Fujairah, Dubai.
(h) The loan of USD 3 million taken in financial year 2017-18 from AFHolding, Mauritus carries interest rate 7% + 1 year USD LIBOR (subject to an upper cap of 9% per annum) is repayable on demand.

27.2 The cash credit facility is secured against hypothecation of stock and book debts and bill discounting facility is secured against hypothecation of Book Debts.

27.3 These secured loans are covered by personal guarantee of the Managing Director and Whole time Director of the group.

28 Lease liabilities - current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Lease liabilities (Refer note 23.1)	142.38	139.57	105.95	74.34
Total	**142.38**	**139.57**	**105.95**	**74.34**

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29 Trade payables

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Outstanding dues of micro enterprises and small enterprises (Refer note 29.1).	85.00	54.07	32.74	29.35
Outstanding dues of creditors other than micro enterprises and small enterprises	579.36	784.84	957.06	756.50
Total	**664.36**	**838.91**	**989.80**	**785.85**

29.1 The amount due to Micro, Small and Medium Enterprises as defined in the Micro, Small and Medium Enterprises Development Act (MSMED Act), 2006 has been determined to the extent such parties have been identified on the basis of information collected by the management. The disclosure relating to Micro, Small and Medium Enterprises is as under:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Dues remaining unpaid at the year/period end:				
(a) The principle amount remaining unpaid to supplier as at the end of the accounting year/period	81.30	53.92	32.61	29.17
(b) The interest thereon remaining unpaid to supplier as at the end of the accounting year/period	3.70	0.15	0.13	0.18
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year/period	-	-	0.09	0.53
(d) Amount of interest due and payable for the year/period	0.15	0.13	0.13	0.18
(e) Amount of interest accrued and remaining unpaid at the end of the accounting year/ period	3.17	0.15	-	-
(f) The amount of further interest due and payable even in the succeeding years/ period, until such date when the interest due as above are actually paid	-	-	-	0.09

29.2 Trade payable analysis

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Micro, small and medium enterprises				
Less than 1 year	80.72	52.25	32.74	29.35
1-2 years	3.43	1.82	-	-
2-3 years	0.51	-	-	-
More than 3 years	0.34	-	-	-
Sub Total	**85.00**	**54.07**	**32.74**	**29.35**
Others				
Less than 1 year	517.99	707.68	902.46	715.67
1-2 years	40.36	48.90	32.32	13.72
2-3 years	13.36	12.85	5.61	10.81
More than 3 years	7.65	15.41	16.66	16.31
Sub Total	**579.36**	**784.84**	**957.06**	**756.50**
Total	**664.36**	**838.91**	**989.80**	**785.85**

29.3 Disputed trade payables are Rs. Nil

29.4 Trade payables principally comprise amounts outstanding for operational activities. The average credit period taken is 90 days. For most suppliers, no interest is charged on the trade payables. The Company has financial risk management policies in place to ensure that all payables are paid within the pre - agreed terms.

30 Other current financial liabilities

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Security deposits from customers	4.61	4.61	10.17	12.92
Trade deposits received from suppliers	4.50	4.50	4.50	4.50
Interest accrued but not due	2.76	9.35	4.38	1.79
Financial liabilities at fair value through profit & loss (derivative)	2.63	0.22	-	-
Creditors for capital goods (other than Micro and small enterprises)	0.14	0.15	1.56	1.58
Fair value of Financial guarantee contracts	0.23	0.28	0.34	0.74
Total	**14.87**	**19.11**	**20.95**	**21.53**

31 Provision - current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits				
- Provision for gratuity (Refer note 50(ii)(a))	10.80	12.35	12.00	10.94
- Provision for leave benefit (Refer note 50(i)(b))	2.27	1.92	2.22	1.34
Other provisions				
-Provision against regulatory liability (Refer note 31.1 below)	5.00	5.00	5.00	5.00
Total	**18.07**	**19.27**	**19.22**	**17.28**

31.1 The Group has made the provision for the compounding fee payable based on the application filed u/s 441 of the Companies Act, 2013 for non-compliance with section 185 of Coampanies Act, 2013 for the financial year 2014-15 and 2015-16.

31.2 Movement in the provision against regulatory liability:

Provision	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Balance at the beginning of the period/year	5.00	5.00	5.00	5.00
Add: Provided during the period/year	-	-	-	-
Less: Reversal during the period/year	-	-	-	-
Less: Utilisation during the period/year	-	-	-	-
Balance at the end of the period/year	**5.00**	**5.00**	**5.00**	**5.00**

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32 Contract liabilities - current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Advances received from customers (Refer note 32.1)	168.32	84.15	262.05	171.55
Total	**168.32**	**84.15**	**262.05**	**171.55**

32.1 Movement of contract liabilities

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Amounts included in contract liability as at the beginning of the period / year	84.15	262.05	171.55	72.85
Amout received (adjusted) / Performance obligation satisfied during the period / year	84.17	(177.90)	90.50	98.70
Amounts included in contract liability as at the end of the period / year	168.32	84.15	262.05	171.55

33 Current Tax Liabilities (Net)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for income tax (net of tax paid) (Refer note 33.1)	4.18	13.29	29.83	13.53
Total	**4.18**	**13.29**	**29.83**	**13.53**

33.1

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Provision for income tax	78.23	145.92	112.15	84.67
Less: Tax paid	(74.05)	(132.63)	(82.32)	(71.14)
Total	**4.18**	**13.29**	**29.83**	**13.53**

34 Other liabilities - current

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Deferred income liability on finance lease	1.29	1.43	-	-
Statutory dues payable	15.64	25.81	11.67	50.74
Total	**16.93**	**27.24**	**11.67**	**50.74**

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35 Revenue from operations

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of goods	1,332.47	2,441.32	2,841.70	1,995.24
Sale of Services	827.26	994.38	937.66	922.47
Lease rental income	28.17	35.22	47.77	52.58
Sub-total (A)	**2,187.90**	**3,470.92**	**3,827.13**	**2,970.29**
Other operating revenue				
Other operating revenue	5.85	5.10	5.00	6.46
Sub-total (B)	**5.85**	**5.10**	**5.00**	**6.46**
Total	**2,193.75**	**3,476.02**	**3,832.13**	**2,976.75**

35.1 Disclosure pursuant to Ind AS 115: Revenue from contract with customers

(a)

Disaggregated revenue	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue by geographical market				
Within India	1,742.66	2,588.89	2,505.61	2,542.34
Outside India	451.09	887.13	1,326.52	434.41
Total	**2,193.75**	**3,476.02**	**3,832.13**	**2,976.75**

(b) **Contract Balances**

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Trade receivable (Refer note 14)	1,094.12	1,520.96	1,484.07	1,268.30
Contract liabilities (Refer note 32)	(168.32)	(84.15)	(262.05)	(171.55)
Net contract balances	**925.80**	**1,436.81**	**1,222.03**	**1,096.75**

(c) **Timing of revenue recognition**

Particular	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Goods or services transferred at a point in time	1,338.32	2,446.42	2,846.70	2,001.70
Goods or services transferred over the period of time	855.43	1,029.60	985.43	975.05
Total	**2,193.75**	**3,476.02**	**3,832.13**	**2,976.75**

(d) **Performance Obligations**

Information about the Group's performance obligations are summarised below:

1. Manufacturing and installation of RO plants [RO plants / High Pressure RO plants / Desalination RO plants].
2. Supply of spares required for maintaining RO plants as per the contract or purchase order.
3. Operation and Maintenance services (including supervision service) per the contract or purchase order.

36 Other income

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
(a) Interest income				
Financial instruments measured at amortised cost:				
- Fixed deposits with banks	2.02	3.74	4.42	3.36
- Others	6.41	8.99	6.93	7.52
(b) Dividend income				
Dividends received from equity investments desginated as at FVTPL				
- Relating to investments held at the end of the reporting period	0.01	-	0.01	0.01
(c) Other gains and losses				
Amortisation of financial guarantee liability	0.58	0.97	0.43	0.50
Liabilities written back to the extent no longer required	1.81	6.54	0.63	6.40
Duty drawback refund	2.52	24.15	1.39	-
Gain on derivatives classified at fair value through profit or loss	-	-	0.78	0.56
Miscellaneous income	9.35	7.62	3.72	5.83
Total	**22.70**	**52.01**	**18.31**	**24.18**

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37 Cost of raw materials and components consumed

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening	932.91	1,045.16	788.61	701.24
Add: Purchases (including direct expenses in nature of consumables, freight inwards and clearing & forwarding charges)	1,060.39	1,183.14	1,936.39	1,451.31
Less: Closing	1,078.69	932.91	1,045.16	788.61
Total	**914.61**	**1,295.39**	**1,679.84**	**1,363.94**

38 Purchase of stock-in-trade

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchase of stock-in-trade	95.17	114.57	193.03	87.86
Total	**95.17**	**114.57**	**193.03**	**87.86**

39 Increase/(decrease) in inventories of finished goods and Work in progress

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Opening balance :				
Finished goods	73.64	131.01	154.00	93.83
Work-in-progress	170.83	402.87	272.62	154.14
	244.47	**533.88**	**426.62**	**247.97**
Closing Balance :				
Finished goods	130.39	73.64	131.01	154.00
Work-in-progress	198.79	170.83	402.87	272.62
	329.18	**244.47**	**533.88**	**426.62**
Total	**(84.71)**	**289.41**	**(107.26)**	**(178.65)**

40 Employee benefits expenses

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages and bonus	355.16	386.73	438.09	380.19
Contributions to provident and other funds (Refer note 50)	21.11	23.37	26.84	22.22
Gratuity Expenses (Refer note 50(ii)(a))	5.75	6.32	5.54	4.46
Staff welfare expenses	4.70	7.65	4.95	5.31
Total	**386.72**	**424.07**	**475.42**	**412.18**

41 Finance costs

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expenses on				
- working capital loan	40.04	69.62	83.42	74.18
- term loans	18.55	12.71	3.69	1.50
- Vehicle loans	0.65	1.14	1.06	0.49
- lease liabilities*	57.47	63.57	47.36	41.24
- letter of credit discounting	3.18	8.98	7.83	6.98
- Unwinding of present value of redemption amount in respect of financial instrument classified as financial liabilitiy (Refer note 20.10)	-	-	227.24	124.31
- statutory dues	0.51	5.27	10.34	9.13
' - loan and advances from related parties (Refer note 56)	10.29	26.93	26.67	23.20
- others	4.34	0.71	0.41	0.56
Interest expenses (on unwinding of lease liability)	-	-	0.11	-
Other borrowing charges	5.36	3.27	3.37	2.90
Net gains/(losses) on fair value changes				
- Derivatives classified at fair value through profit or loss	2.41	0.22	-	-
Total	**142.80**	**192.42**	**411.50**	**284.49**

*includes interest on lease liabilities to related parties

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42 Depreciation and amortisation expenses

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation on property, plant and equipment (Refer note 4)	83.78	109.55	100.93	119.50
Depreciation on right of use asset (Refer note 7)	104.30	127.44	105.96	83.82
Amortisation of intangible asset (Refer note 5)	8.06	11.04	10.41	15.34
Total	**196.14**	**248.03**	**217.30**	**218.66**

43 Other expenses

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spares	10.79	6.84	6.39	-
Power and fuel	2.86	8.69	9.51	6.77
Freight, clearing and forwarding	39.87	90.38	100.01	61.36
Rates and taxes	8.53	6.47	17.89	8.90
Repairs and maintenance				
- Plant and machinery	0.04	0.17	0.32	0.45
- Others	7.69	11.47	19.16	11.02
Travelling expenses	34.98	39.49	80.03	43.96
Printing and stationery	1.65	1.67	3.01	2.26
Telephone and communication charges	2.01	3.86	4.05	4.22
Vehicle expenses	1.77	2.17	1.86	1.59
Insurance	3.41	9.78	7.93	3.06
Sales commission	31.29	49.55	54.18	53.80
Advertisement and sales promotion	0.89	16.90	26.02	9.45
Legal and professional fees	63.98	87.32	109.11	56.10
Lease Rent & License Fees	13.90	76.63	10.38	32.85
Foreign currency exchange loss (Net)	5.18	(19.04)	(5.56)	18.13
Contribution under corporate social responsibility (Refer note 52)	11.40	0.30	0.12	5.29
Payments to auditors	2.18	2.81	3.25	3.13
Bad debts written off	0.63	0.11	15.88	31.61
Liquidated damages	0.83	1.56	1.20	1.31
Loss on fixed assets sold / scrapped / written off	-	0.00	2.81	0.15
Service Charges	234.37	256.84	315.42	175.24
Research & Development Expenses	0.49	2.31	0.05	-
Information technology expenses	6.55	6.30	7.79	8.27
Provision for doubtful advances	8.39	0.17	1.07	-
Bank charges	8.79	12.77	14.43	16.95
Net impairment losses on financial assets	19.16	24.45	18.26	(0.45)
Sundry debit balance written off	2.09	18.43	9.05	4.73
Miscellaneous expenses	30.55	19.96	22.26	32.13
Total	**554.27**	**738.36**	**855.87**	**592.28**

43.1 Break-up of Auditor's remuneration

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
- For Audit Services	2.00	2.61	2.77	2.71
- For other services	0.12	0.20	0.36	0.32
- For reimbursement of expenses	0.06	-	0.12	0.10
Total	**2.18**	**2.81**	**3.25**	**3.13**

44 Income tax

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit before tax	**18.82**	**232.29**	**124.72**	**226.52**
Tax Rate	25.17%	25.17%	25.17%	29.12%
Income tax expense at tax rates applicable	**4.74**	**58.47**	**31.39**	**65.96**
Adjustments:				
Expenses that are not deductible in determining taxable profit	2.81	1.17	58.17	38.00
Income tax relating to prior years	(6.43)	0.26	(1.48)	(1.30)
Effect of change in income tax rate	-	-	3.26	7.93
Effect of tax exemption for subsidiaries operating in other jurisdictions	(15.26)	(35.16)	(48.82)	(36.08)
Others	2.70	9.44	3.60	(6.51)
Tax expense as per statement of profit or loss	**(11.44)**	**34.17**	**46.12**	**68.00**

45 Financial instruments - Accounting classifications & fair value measurement

(a) Financial asset and liabilities (Non-current and Current)

Sr. No.	Particulars	As at 31st December, 2021		As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
		FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost	FVTPL	Amortized Cost
A	**Financial assets**								
	Investments (Refer Note (iii))	2.95	-	2.25	-	1.72	-	1.72	-
	Trade receivables	-	1,094.12	-	1,520.96	-	1,484.07	-	1,268.30
	Cash and cash equivalents	-	84.20	-	104.26	-	31.51	-	15.32
	Other bank balances	-	95.32	-	98.76	-	93.30	-	178.88
	Loans	-	11.25	-	10.61	-	0.45	-	0.41
	Other financial assets	-	133.43	-	127.22	-	99.40	-	81.58
	Total financial assets	**2.95**	**1,418.33**	**2.25**	**1,861.81**	**1.72**	**1,708.73**	**1.72**	**1,544.49**
B	**Financial liabilities**								
	Borrowings	-	1,191.25	-	3,669.21	-	3,622.77	-	3,126.22
	Lease liabilities	-	499.55	-	573.71	-	419.93	-	272.41
	Trade payables	-	664.36	-	838.90	-	989.79	-	785.85
	Other financial liabilities (Refer note (iv))	2.63	14.55	0.22	21.31	-	22.72	-	24.08
	Total financial liabilities	**2.63**	**2,369.72**	**0.22**	**5,103.13**	**-**	**5,055.21**	**-**	**4,208.56**

Note:

(i) Since there is no Financial Asset/Financial Liability which is measured at fair value through other comprehensive income, no separate disclosure has been made for the same in the above table.

(ii) Above disclosure excludes investments in joint ventures as these are accounted under equity method in accordance with Ind AS 28 Investments in Associates and Joint Ventures.

(iii) Fair value determined using level - 3 inputs. The carrying value is considered to be representative of the fair value.

(iv) Fair value determined using level - 2 inputs. Mark-to-market on forward covers is based on forward exchange rates and yield curves at the end of reporting period.

(v) There were no transfers between level - 1, level - 2 and level - 3 during the periods presented

(b) Fair valuation techniques

The Group maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and financial liabilities are approximately equal to their carrying amounts.

(c) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statement and are grouped into three levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2 : Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3 : Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

46 Risk management framework

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The board of directors is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risk faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board of Directors is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

The Group has exposure to the following risks arising from financial instruments:

- Credit risk;
- Liquidity risk;
- Market risk
- Interest rate risk

(a) Credit risk :

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivable

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. To manage trade receivable, the Group periodically assesses the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and aging of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 45(a). The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with the Group's policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year / period. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

(b) Liquidity risk :

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to Group's reputation.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

(i) Maturities of financial liabilities:

The following are the remaining undiscounted contractual maturities of financial liabilities at the reporting date:

Particulars	Less than 1 year	1 to 5 years	Above 5 years	Total
As at 31st December 2021				
Borrowings	793.34	413.41	-	**1,206.75**
Lease liabilities	160.42	419.26	-	**579.68**
Trade payable	664.36	-	-	**664.36**
Other financial liabilities	14.87	2.31	-	**17.18**
As at 31st March 2021				
Borrowings	3,362.83	320.02	-	**3,682.85**
Lease liabilities	168.69	514.38	-	**683.07**
Trade payable	838.90	-	-	**838.90**
Other financial liabilities	19.11	2.42	-	**21.53**
As at 31st March 2020				
Borrowings	3,653.96	43.66	-	**3,697.62**
Lease liabilities	175.53	380.52	-	**556.05**
Trade payable	989.80	-	-	**989.80**
Other financial liabilities	20.95	1.78	-	**22.72**
As at 31st March 2019				
Borrowings	776.27	2,651.04	-	**3,427.31**
Lease liabilities	90.21	235.99	-	**326.20**
Trade payable	785.85	-	-	**785.85**
Other financial liabilities	21.53	2.55	-	**24.08**

(c) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, its exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in revenues and costs.

In relation to long term contracts (including derivative contracts) group has a process to assess for material foreseeable losses. At the end, the Group has reviewed and ensured that there are no material foreseeable losses.

(d) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. (Refer note 61 for Debt Equity Ratio and Debt Service coverage ratio)

The capital structure of the Group consists of equity of the Group (comprising issued capital and internal accruals), preference shares, and other long-term borrowings.

(e) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company.

The Group is subject to variable interest rates on some of its interest bearing liabilities. The Group's interest rate exposure is mainly related to debt obligations.

The table below outlines the interest rate sensitivity analysis with respect to variable interest borrowings:

Particular	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
	(Decrease) / Increase in PBT	(Decrease) / Increase in PBT	(Decrease) / Increase in PBT	(Decrease) / Increase in PBT
1 % decrease in interest rate	(6.53)	(8.14)	(10.10)	(7.78)
1 % increase in interest rate	6.53	8.14	10.10	7.78

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47 (A) Contingent liabilities and capital commitments:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(a) Contingent liabilities				
Sales tax / VAT	5.63	5.63	5.63	19.48
Service Tax	10.37	-	-	-
Income tax	2.17	14.08	12.81	10.70
Customs	0.11	0.11	0.11	0.11
(b) Capital commitments				
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-	16.37	2.23
(c) Bank guarantees	177.78	212.34	211.53	178.77
(d) Corporate guarantees	259.90	246.26	147.44	173.01
(e) Performance bond	-	-	-	1.24
(f) Claims lodged against the company not acknowledged as debts:				
Kuamar Prassanna Sheludkar Sub Contractor. Pending before District Court Wardha since 2008	-	-	-	0.87

47 (B) Other commitment

As per the provisions of the Shareholders agreement regarding Roserve Enviro Private Limited signed by and between Danish Climate Investment Fund I K/S, Concord Enviro Systems Private Limited, Prayas Goel, Prerak Goel and Roserve Enviro Private Limited, if the preferred exit to the Investor (Danish Climate Investment Fund I K/S) is not provided before 1st January 2024, the Company would have to acquire the shares held by Danish Climate Investment Fund I K/S at higher of Fair Market Value subject to a XIRR of 12% or book value per share.

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(Amount in millions, unless otherwise stated)

48 Group information

Concord Enviro Systems Limited ('CES') was incorporated as private Limited Company on 1 July, 1999 under the Companies Act, 1956. (Refer note 53.1)

The Company, its subsidiaries (collectively referred to as the 'Group' herein under) and Joint Ventures considered in these consolidated financial statements are:

Sr. No.	Name of the subsidiary	Principal Activities	Place of incorporation and principal place of business	Proportion of ownership interet/voting right held by the Group				
				As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020		As at 31st March, 2019
Subsidiaries								
(i)	Rochem Seperation System (India) Private Limited	Manufacturing and trading of water treatment systems, water pollution control equipment, bio filters and resource recovery systems	India	100.00%	100.00%	100.00%		100.00%
(ii)	Concord Enviro FZE		Dubai	100.00%	100.00%	100.00%		100.00%
(iii)	Blue Water Trading & Treatment FZE		Dubai	100.00%	100.00%	100.00%		100.00%
(iv)	Concord Enviro S. A. De C.V. Mexico	Trading of water treatment systems, water pollution control equipment, bio filters and resource recovery systems	Mexico	100.00%	100.00%	100.00%		100.00%
(iii)	Reva Enviro Systems Private limited		India	100.00%	100.00%	100.00%		100.00%
(iv)	Rochem Services Private Limited (formely known as Concord Blue Technology Private Limited)	Manpower services for water treatment and pollution control services	India	100.00%	100.00%	100.00%		100.00%
	Joint Venture							
(i)	Roserve Enviro Private Limited (Held by Concord Enviro Systems Limited)	Leasing and service of water treatment plants	India	48.88%	48.88%	48.88%		48.88%
(ii)	WHE Systems (FZC) (Held by Concord Enviro FZE)	Manufacturing of Waste Heat Evaporators	Dubai	50.00%	-	-		-
	Subsidiary of Joint Venture							
(i)	Roserve Enviro FZE (Held by Roserve Enviro Private Limited)	Leasing and service of water treatment plants	Dubai	48.88%	48.88%	48.88%		48.88%

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

49 Earnings per share

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Basic and diluted earning per share				
(a) Net profit after tax as per the statement of profit and loss	30.26	198.12	78.60	158.52
(b) Weighted average number of equity shares outstanding for Basic & Dilutive EPS calculation (in No.)*	10,11,100	6,16,100	6,16,100	6,16,100
(c) Nominal value per share (in Rs)*	5.00	5.00	5.00	5.00
(d) Basic [(a)/(b)] Rs	29.93	321.57	127.58	257.29
(e) Diluted [(a)/(b)] Rs	29.93	321.57	127.58	257.29

*Pursuant to a resolution passed in extra-ordinary general meeting dated 25th May, 2022, shareholders have approved split of each equity share of face value of Rs. 100 each into twenty equity shares of face value of Rs. 5 each (the "Split"). As required under Ind AS 33 "Earning per share" the effect of such split is required to be adjusted for the purpose of computing earning per share for all the period presented retrospectively. As a result, the effect of split has been considered in these Restated Consolidated Financial Information for the purpose of calculating of earning per share. (Refer Note 53.3)

50 Disclosure relating to employee benefits as per Ind AS 19 'Employee Benefits'

(i) (a) Disclosures for defined contribution plan

The Group has certain defined contribution plans. The obligation of the Group is limited to the amount contributed and it has no further contractual obligation. Following is the details regarding Group's contributions made during the period/ year:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Employers' Contribution to provident and other funds	17.89	19.37	21.90	16.97
Contribution to ESIC	2.34	2.88	3.84	4.14
Other	0.89	1.12	1.11	1.11
Total	**21.11**	**23.37**	**26.84**	**22.22**

(b) Compensated leave absences

The Compensated leave absences benefit scheme is a defined benefit plan and is wholly unfunded. Hence, there are no plan assets attributable to the obligation. The long term employee benefits in the form of compensated leave absences have been determined using the projected unit credit method as at the balance date on the basis of actuarial valuation.

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

Following amounts are recognised in respect of unfunded obligation towards compensated leave absences-

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Amount recognised in the Balance Sheet				
Long-term	9.91	9.62	8.66	7.11
Short-term	2.27	1.92	2.22	1.34
Total	**12.18**	**11.54**	**10.88**	**8.45**
Amount recognised in salary and other benefits in the Statement of Profit and Loss in respect of compensated leave liability.	0.98	1.07	3.98	2.74

(ii) Disclosures for defined benefit plans

Defined benefit obligations - Gratuity (funded)

The Group has a defined benefit gratuity plan for its employees. The Group has covered its gratuity liability by a Group Gratuity Policy named 'Employee Group Gratuity Assurance Scheme' issued by LIC of India. which is governed by the Payment of Gratuity Act, 1972. Under the Act, every employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the employee's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972.

Risks associated with plan provisions

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Group is exposed to various risks as follows:

Interest rate risk	A fall in the discount rate which is linked to the Government Security rate will increase the present value of the liability requiring higher provision.
Salary inflation 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's liability.
Asset liability matching risk	The plan faces the ALM risk as to the matching cashflow. Entity has to manage pay-out based on pay as you go basis from own funds.
Mortality risk	Since the benefits under the plan is not payable for lifetime and payable till retirement age only, plan does not have any longevity risk.

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Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

For determination of the liability in respect of compensated gratuity, the Group has used following actuarial assumptions:

Particulars	**Nine month period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Discount Rate (per annum)	6.59% - 6.62%	6.33%	6.04%	7.77%
Rate of Return on Plan Assets (per annum)	6.59% - 6.62%	6.33%	6.04%	7.77%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)#	Indian Assured Lives Mortality 2006-08 (Ultimate)*	Indian Assured Lives Mortality 2006-08 (Ultimate)*	Indian Assured Lives Mortality 2006-08 (Ultimate)*
Salary Escalation (per annum)	5.00%	5.00%	5.00%	5.00%
Attrition rate	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.	For service 2 years and below 20.00% p.a. For service 3 years to 4 years 15.00% p.a. For service 5 years and above 6.00% p.a.	4%	"For ages 44 years and below 2% p.a. For ages 45 years and above 1% p.a."

* Extract of Mortality Rate (Indian Assured Lives Mortality (2006-08) Ultimate):

Age	Rate
18	0.000800
25	0.000984
35	0.001282
45	0.002874
55	0.007888
65	0.017009

Extract of Mortality Rate (India Assured Lives Mortality (2012-2014) Urban):

Age	Rate
18	0.000675
25	0.000941
35	0.001253
45	0.002688
55	0.006576
65	0.013526

Changes in the present value of obligations

Particulars	**Nine month period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Present value of obligation at the beginning of the year	44.80	39.81	30.20	24.40
Interest cost	2.06	2.31	2.24	1.85
Current service cost	4.01	4.21	3.75	3.51
Benefits directly paid by employer	(0.20)	(0.75)	(0.24)	(0.18)
Benefits paid from Fund	(0.95)	(0.80)	(0.32)	(0.82)
Actuarial (gain)/ loss on obligations - Due to change in Demographic Assumptions	(0.03)	-	0.33	1.78
Actuarial (gain)/ loss on obligations - Due to change in Financial Assumptions	(0.94)	(0.95)	4.45	0.24
Actuarial (gain)/ loss on obligations - Due to experience	1.99	0.96	(0.60)	(0.58)
Liability at the end of the period/ year	**50.74**	**44.80**	**39.81**	**30.20**

Changes in the fair value of plan assets

Particulars	**As at 31st December, 2021**	**As at 31st March, 2021**	**As at 31st March, 2020**	**As at 31st March, 2019**
Opening fair value of plan assets	5.35	5.78	5.71	6.09
Interest Income	0.25	0.35	0.44	0.48
Benefits paid	(0.95)	(0.80)	(0.32)	(0.82)
Return on plan assets, excluding interest income	-	0.02	(0.05)	(0.04)
Closing fair value of plan assets	**4.65**	**5.35**	**5.78**	**5.71**

Table of recognition of actuarial gain / loss

Particulars	**Nine month period ended 31st December, 2021**	**Year ended 31st March, 2021**	**Year ended 31st March, 2020**	**Year ended 31st March, 2019**
Actuarial (gain)/ loss on obligation for the year	1.01	0.01	4.17	1.44
Actuarial gain/ (loss) on assets for the year	-	0.02	(0.05)	(0.04)
Actuarial (gain)/ loss recognized in Statement of Profit and Loss	**1.01**	(0.01)	**4.22**	**1.48**

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Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

Breakup of actuarial (gain) /loss:

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Actuarial gain/ (loss) on assets for the year	-	(0.02)	0.05	0.04
Actuarial loss/(gain) arising from change in demographic assumption	(0.03)	-	0.33	1.78
Actuarial loss arising from change in financial assumption	(0.94)	(0.95)	4.45	0.24
Actual return on plan assets less interest on plan assets				
Actuarial loss/(gain) arising from experience	1.99	0.96	(0.60)	(0.58)
Total	**1.01**	**(0.01)**	**4.22**	**1.48**

Amount recognized in the Balance Sheet:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Liability at the end of the year	50.74	44.80	39.81	30.20
Fair value of plan assets at the end of the year	(4.65)	(5.35)	(5.78)	(5.71)
Amount recognized in Balance Sheet	**46.09**	39.45	**34.04**	**24.50**

Expenses recognized in the statement of profit and loss and other comprehensive income:

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Current service cost	4.01	4.21	3.75	3.51
Interest cost	2.06	2.31	2.24	1.85
Expected return on plan assets	(0.25)	(0.35)	(0.44)	(0.48)
Actuarial (Gain)/Loss	1.01	(0.01)	4.22	1.48
Expense/ (income) recognized in				
- Statement of Profit and Loss	5.82	6.18	5.54	4.88
- Other comprehensive income	1.01	(0.01)	4.22	1.48

Balance sheet reconciliation

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Opening net liability	39.42	34.01	24.49	18.31
Expense recognized in Statement of Profit and Loss & OCI	6.83	6.16	9.76	6.36
Benefit Paid	(0.20)	(0.75)	(0.24)	(0.18)
Amount recognized in Balance Sheet	**46.06**	**39.42**	**34.01**	**24.49**
Current portion of defined benefit obligation	10.80	12.35	12.00	10.95
Non current portion of defined benefit obligation	35.26	27.07	22.01	13.54

Sensitivity analysis of benefit obligation (Gratuity)

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
a) Impact of change in discount rate				
Present value of obligation at the end of the year				
a) Impact due to increase of 1.00%	(3.37)	(3.02)	(2.69)	(2.24)
b) Impact due to decrease of 1.00%	3.85	3.45	3.08	2.57
b) Impact of change in salary growth				
Present value of obligation at the end of the year				
a) Impact due to increase of 1.00%	3.69	3.27	2.89	2.42
b) Impact due to decrease of 1.00%	(3.31)	(2.93)	(2.59)	(2.16)
c) Impact of change in withdrawal rate				
Present value of obligation at the end of the year				
a) withdrawal rate Increase	0.36	0.27	0.17	0.53
b) withdrawal rate decrease	(0.41)	(0.31)	(0.20)	(0.60)

Expected contribution to the fund in the next year

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Gratuity	9.94	11.85	11.46	10.01

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(Amount in millions, unless otherwise stated)

Pay-out analysis

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Expected Outgo First	4.34	2.91	3.80	1.62
Expected Outgo Second	3.64	3.11	2.47	2.31
Expected Outgo Third	4.26	3.34	2.63	1.81
Expected Outgo Fourth	6.84	3.89	2.81	1.78
Expected Outgo Fifth	5.67	6.23	3.27	2.00
Expected Outgo Fifth	20.06	17.09	17.17	15.32
Expected Outgo 11 years and	45.93	40.44	34.28	40.55

51 COVID-19

The spread of COVID-19 has severely impacted businesses around the globe, including India. There has been severe disruption to regular operations due to lock-downs and other emergency measures which may have an short-term impact of revenues of the Group. The management has used the principles of prudence in applying judgments, estimates and assumptions and based on the current estimates, the management expects to fully recover the carrying amount of inventories, trade receivables and other assets. Having regard to the above and the Group's liquidity position, there is no material uncertainty in meeting it's liabilities in the foreseeable future. However, the eventual outcome of impact of the global health pandemic may be different from those estimated as on the date of approval of these financial information owing to the nature and duration of the pandemic.

52 Disclosures of Corporate Social Responsibility (CSR) expenditure in line with the requirement of Guidance Note on "Accounting for Expenditure on Corporate Social Responsibility Activities"

As per section 135 of the Companies Act 2013, a CSR committee has been formed by the Company. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art, culture, healthcare, destitute care and rehabilitation and rural development projects. However, during the year, the company has not spent the funds for these acitvities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(i) Amount required to be spent during the period/ year	1.94	2.79	2.22	2.26
(ii) CSR expenditure incurred during the period/ year				
(a) Construction/ acquisition of any asset	-	-	-	-
(b) On purpose other than (a) above*	11.40	0.30	0.12	5.29
(iii) Shortfall at the end of period/ year	-	2.49	2.10	-
(iv) Total of Previous period/ years shortfall	-	11.29	8.80	6.70
(v) Reason for Shortfall	Non-identification of eligible projects for CSR activities.	Non-identification of eligible projects for CSR activities.	Non-identification of eligible projects for CSR activities.	Non-identification of eligible projects for CSR activities.
(vi) Related party transaction as per Ind AS 24 in relation to CSR expenditure	-	-	-	-
(vii) Where provision is made with respect to a liability incurred by entering into a contractual obligation, the movement in the provision during the period/ year	-	-	-	-
(viii) Nature of CSR activities :				
(a) Disaster management, including relief, rehabilitation and reconstruction activities	-	-	-	5.29
(b) Protection of flora and fauna	-	0.30	0.12	-
(c) Promoting health care including preventinve health care etc.	11.40	-	-	-

*Includes amount kept with bank on current account earmarked for CSR expenditure (Refer note 16)

53 Event occurred after Balance Sheet Date

53.1 Conversion of the Company from Private Limited to Public Limited

Pursuant to resolution passed by the Members in the Extraordinary General Meeting dated 25th May 2022 and as approved by Registrar of the Company w.e.f. 9th June 2022 the Company has been converted from Private Limited Company into a Public Limited Company including adoption of new Memorandum of Association and new Articles of Association as applicable to Public Company in place of existing Memorandum of Association and Articles of Association of the Company.

53.2 Approval of Concord Enviro System Employee Stock Option Plan 2022

The Company has, vide Shareholders' approval dated 22nd June,2022, introduced, implemented "Concord Enviro System Employee Stock Option Plan 2022" ("ESOP 2022") and approved the plan authorizing the committee to grant not exceeding 20,600 (twenty thousand six hundred only) options ("option pool") to the eligible employee in one or more tranches, from time to time which in aggregate shall be exercisable into not more than 20,600 (twenty thousand six hundred only) shares with each such option conferring a right upon the employee to apply for one share in the company in accordance with the terms and conditions as may be decided under the plan.

53.3 Sub-division of equity shares:

The Shareholders in their extra-ordinary general meeting dated 25th May, 2022 approved sub-division of each authorised and issued equity shares of face value Rs. 100 into twenty equity shares of face value of Rs. 5 each.
The Authorised Share Capital of the Company is changed to Rs. 425 millions divided into 4,00,00,000 Equity Shares of Rs. 5 each and 2,25,000 Preference shares of Rs. 1000 each.

54 Other notes

54.1 The Group does not have any benami property, where any proceeding has been initiated or pending against the Group for holding any benami property.

54.2 The group has not traded or invested in crypto currency or virtual currency during reporting periods.

54.3 The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
(a) directly or indirectly lend or invest in other persons or entites identfied in any manner whatsoever by or on behalf of the Company (Ultmate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultmate Beneficiaries.

54.4 The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Group shall:
(a) directly or indirectly lend or invest in other persons or entites identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

54.5 The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

54.6 The Group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

54.7 The Group is not declared as a wilful defaulter by any bank or financial institution or other lender during any reporting period.

54.8 The Group does not have any investment property during any reporting period, the disclosure related to fair value of investment property is not applicable.

54.9 The Company is not covered under Section 8 , thus related disclosure is not applicable.

54.10 There are no scheme of arrangements which have been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the reporting periods.

54.11 Relationship with companies whose name is struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956, balance outstanding as at period / year is as under

Sr. no.	Name of struck off Company	Nature of transactions with struck-off Company	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
1	Bachi Shoes (India) Private Limited	Trade receivables	0.14	0.14	0.28	0.28
2	Mercury Travels Limited	Advances for supply of goods and services	0.03	0.03	0.03	0.03
3	Wudtools Exports Private Limited		-	-	-	0.03
4	Nutech Cooling Towers Private Limited		0.07	0.07	0.07	0.07
5	Spearhead Telecom Private Limited		0.02	-	-	-
6	Dilip Security Services Private Limited	Trade payables	0.29	0.29	0.29	0.29

54.12 Code of Social Security, 2020
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come in to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

55 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

Particulars		As at 31st December, 2021		As at 31st March, 2021		As at 31st March, 2020		As at 31st March, 2019	
Assets/ Liability	Currency	Amount in Foreign Currency	Amount in functional Currency	Amount in Foreign Currency	Amount in functional Currency	Amount in Foreign Currency	Amount in functional Currency	Amount in Foreign Currency	Amount in functional Currency
Financial assets	USD	2.41	179.57	4.48	328.74	5.72	432.95	1.28	89.40
	EURO	1.21	102.45	1.43	123.15	0.92	76.03	2.05	160.20
Financial liabilities	USD	8.22	611.79	7.19	527.64	5.56	420.49	5.13	358.55
	EURO	0.36	30.47	0.52	44.98	0.14	11.72	0.09	7.00
	GBP	0.08	7.64	0.08	7.83	0.08	7.12	0.08	7.43
	AED	0.01	0.11	-	-	-	-	-	-
	SGD	-	-	-	-	-	-	-	0.06

Foreign Currency Sensitivity Analysis

The table below outlines the effect of change in foreign currencies exposure to the profit before tax ("PBT") of the Group:

Particular	Nine month period ended 31st December, 2021		Year ended 31st March, 2021		Year ended 31st March, 2020		Year ended 31st March, 2019	
Currency	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT	1% Increase - Decrease in PBT	1% Decrease - Increase in PBT
USD	(4.28)	4.28	(2.01)	2.01	0.12	(0.12)	(2.59)	2.59
EURO	0.73	(0.73)	0.76	(0.76)	0.62	(0.62)	1.55	(1.55)
GBP	(0.08)	0.08	(0.08)	0.08	(0.07)	0.07	(0.07)	0.07
AED	-0.00*	0.00*	-	-	-	-	-	-

* Amounts are below the rounding threshold i.e., INR in millions.

Notes to the Restated Consolidated Financial Statement
(Amount in millions, unless otherwise stated)

56 Related party disclosures

56.1 Names of related parties

I	**Entity having significant influence over the group**	AFHoldings, Mauritus
II	**Enterprises over which key managerial personnel are able to exercise significant influence**	Rochem India Private Limited Concord Shipping Private Limited Rochem Green Energy Private Limited Infinity Solar Power Private Limited
III	**Key managerial personnel**	Mr. Prayas Goel (Managing Director) Mr. Prerak Goel (Executive Director)
IV	**Joint Ventures**	Roserve Enviro Private Limited WHE Systems FZC
V	**Subsidiary of joint venture**	Roserve Enviro FZE (Subsidiary of Roserve Enviro Private Limited)

56.2 Transactions during the period / year with related parties

Nature of transaction	Name of the party	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Purchase of goods	- Concord Shipping Private Limited	-	1.12	-	-
	- WHE Systems FZC	10.96	-	-	-
	- Rochem India Private Limited	0.39	0.33	0.18	0.24
Purchase of capital goods	- Concord Shipping Private Limited	1.13	-	-	-
	- Rochem Green Energy Private Limited	-	139.43	-	-
	- Infinity Solar Power Private Limited	-	0.97	1.26	-
Sale of Material or Provision of Service	- WHE Systems FZC	17.83	94.77	-	-
	- Roserve Enviro Fze	-	158.55	130.40	-
	- Roserve Enviro Private Limited	68.19	97.38	142.47	232.81
Service and Labour Charges	- Rochem India Private Limited	12.73	14.05	16.90	20.15
Rent Expenses (including rentals paid for assets accounted as operating lease under IndAS 116)	- Rochem India Private Limited	-	-	1.50	1.52
	- Concord Shipping Private Limited	20.35	28.11	25.00	27.02
	- Roserve Enviro Fze	35.26	44.95	3.02	-
	- Roserve Enviro Private Limited	77.03	102.36	89.54	56.60
Investment made	- Roserve Enviro Private Limited	-	-	63.72	14.71
	- WHE Systems FZC	1.52	-	-	-
Interest Expenses	- Roserve Enviro Private Limited	6.18	12.64	7.49	4.89
	- Prayas Goel	0.00	0.00	0.00	-
	- Prerak Goel	0.00	0.00	0.00	-
	- AFHolding, Mauritus	4.10	14.29	19.18	17.72
Unwinding of present value of redemption amount in respect of financial instrument classified as financial liabilitiy (Refer note 20.10)	- AFHolding, Mauritus	-	-	227.24	124.31
Classification of Financial Instrument from Liability to Equity (Refer Note 20.10)	- AFHolding, Mauritus	2,600.00	-	-	-
Security Deposit given	- Concord Shipping Private Limited	-	18.00	17.00	-
	- Roserve Enviro FZE	-	14.26	-	-
Security Deposit Repaid	- Roserve Enviro Private Limited	-	1.60	-	-
Redemption of 0.001% Compulsory Convertible Debentures	- Prayas Goel	6.74	-	-	-
	- Prerak Goel	1.84	-	-	-
Loans and advances received	- Rochem Green Energy Private Limited	-	1.22	-	-
Reimbursement of Cost Incurred	- Rochem Green Energy Private Limited	0.08	-	0.00	0.64
	- Prerak Goel	-	-	-	0.92
Loan repaid	- Prerak Goel	-	1.22	-	-
	- Prayas Goel	-	-	5.08	-
	- AFHolding, Mauritus	-	153.65	-	-
Liquidated damages	- Roserve Enviro Private Limited	-	1.56	-	-
Corporate guarantee commission income (deemed)	- Roserve Enviro Private Limited	0.30	-	-	-
	- Concord Shipping Private Limited	-	0.50	-	-
	- Rochem Green Energy Private Limited	0.28	0.47	0.43	0.50
Corporate Guarantee Charges	- Concord Shipping Private Limited	0.07	0.50	-	-

Compensation of key managerial personnel
The remuneration of the the key management personnel of the Group, is set out below in aggregate for each of the categories specified in Ind AS 24:

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Short-term employee benefits	28.27	29.49	37.99	38.40
Total	**28.27**	**29.49**	**37.99**	**38.40**

56.3 Related party outstanding balances:

Nature of transaction	Name of the party	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Non-current Borrowings-0.001% Compulsary Convertible Debentures	- Prayas Goel	-	6.74	6.74	6.74
	- Prerak Goel	-	1.84	1.84	1.84
Non-current Borrowing-Financial Instrument classifed as financial liability (Refer Note 20.10)	- AFHolding, Mauritus	-	-	-	2,290.70
Current borrowing-Financial Instrument classifed as financial liability (Refer Note 20.10)	- AFHolding, Mauritus	-	2,600.00	2,517.94	-
Current borrowings	- Prerak Goel	-	-	1.22	1.22
	- Prayas Goel	-	-	-	5.08
	- AFHolding, Mauritus	74.23	73.16	226.81	207.76
Trade Payables	- Concord Shipping Private Limited	0.02	-	0.30	0.30
	- Prerak Goel	0.30	1.35	3.61	-
	- Roserve Enviro Private Limited	-	10.35	8.97	17.18
	- Prayas Goel	-	-	1.03	1.45
	- Roserve Enviro Fze	26.07	1.30	-	-
	- Rochem India Private Limited	13.62	9.09	2.81	7.70
Other Current Liabilities- Advance Received from customers	- Roserve Enviro Private Limited	81.54	51.50	166.72	30.24
Other current liabilities - Creditors for capital goods	- Infinity Solar Power Private Limited	-	-	0.15	-
Other Current Liabilities- Interest accrued but not due	- Prayas Goel	-	0.00	0.00	-
	- Prerak Goel	-	0.00	0.00	-
Non-current investments	- Rochem Green Energy Private Limited	447.50	447.50	447.50	447.50
	- WHE Systems FZC	1.52	-	-	-
	- Roserve Enviro Private Limited	183.80	183.80	183.80	120.08
Impairment of investment in subsidiaries and joint venture	- Rochem Green Energy Private Limited	447.50	447.50	447.50	447.50
Capital advance	- Rochem Green Energy Private Limited	65.85	65.85	206.68	201.87
Impairment of capital advance	- Rochem Green Energy Private Limited	65.85	65.85	65.85	65.85
Trade Receivables	- Concord Shipping Private Limited	-	-	-	-
	- Roserve Enviro Private Limited	-	-	-	-
	- Rochem India Private Limited	-	-	-	4.58
	-Rochem Green Energy Private Limited	69.65	69.65	69.65	69.65
	- Roserve Enviro Fze	-	-	77.21	-
	- WHE Systems FZC	103.88	94.03	-	-
Impairment of trade receivable	- Rochem Green Energy Private Limited	69.65	69.65	69.65	69.65
Current assets - Advance for goods or services	- Concord Shipping Private Limited	5.51	2.08	3.07	2.34
	- Rochem Green Energy Private Limited	-	-	10.09	-
	- WHE Systems FZC	92.74	-	-	-
Non-current financial assets - Security Deposit	- Roserve Enviro Private Limited	-	-	4.75	10.35
	- Concord Shipping Private Limited	75.00	75.00	57.00	40.00
Short-term loans and advances - Security Deposit	- Roserve Enviro Private Limited	8.75	8.75	5.60	-
Corporate guarantee given (carrying value)	- Rochem Green Energy Private Limited	46.05	78.20	97.34	113.08
	- Concord Shipping Private Limited	41.85	48.06	50.10	59.93
	- Roserve Enviro Private Limited	172.00	120.00	-	-
Deemed investments	- Roserve Enviro Private Limited	1.90	1.20	-	-
	- Rochem Green Energy Private Limited	0.97	0.97	1.64	1.64
Lease liability payable	- 'Roserve Enviro Private Limited	315.72	352.26	174.44	92.61

Personal guarantee has been given by the Managing Director and Whole Time Director for the loans availed by the Group. Refer Note 22 for the same.

56.4 Transactions within the Group: (these transactions got eliminated in restated Consolidated financial information)

	Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
Transactions by the Company with other Group entities:					
(a)	**Purchase of good**				
	Blue Water Trading & Treatment FZE	-	-	12.34	6.69
	Rochem Separation Systems (India) Private Limited	-	-	20.59	20.16
(b)	**Sale of good**				
	Blue Water Trading & Treatment FZE	-	-	5.37	11.58
	Rochem Separation Systems (India) Private Limited	0.55	30.11	94.05	8.61
(c)	**Sale of property, plant and equipments**				
	Rochem Separation Systems (India) Private Limited	-	5.49	-	
(d)	**Interest income on loan given**				
	Rochem Separation Systems (India) Private Limited	0.09	0.06	1.47	19.52
	Reva Enviro Systems Private Limited	0.75	0.36	0.45	0.58
(e)	**Dividend income**				
	Concord Enviro FZE	3.67	-	-	-
(f)	**Legal & professional charges**				
	Concord Enviro FZE	2.58			
(g)	**Reimbursement of expenses**				
	Rochem Separation Systems (India) Private Limited	-	-	-	15.55
	Reva Enviro System Private Limited	-	0.19	2.59	0.91
(h)	**Sale of good - Return**				
	Rochem Separation Systems (India) Private Limited	-	-	-	3.15
(i)	**Purchase of preference shares of Rochem Green Energy Pvt Ltd**				
	Rochem Separation Systems (India) Private Limited	-	-	-	268.50
(j)	**Dividend Write off**				
	Rochem Services Private Limited	-	-	-	2.99
(k)	**Receipt against Loan**				
	Rochem Separation Systems (India) Private Limited	8.90	14.03	55.52	49.38
	Reva Enviro Systems Private Limited	3.54	0.19	2.59	1.07
(l)	**Loans given**				
	Rochem Separation Systems (India) Private Limited	8.90	14.03	19.26	33.75
	Reva Enviro Systems Private Limited	0.02	12.53	-	-
	Rochem Services Private Limited	-	1.22	-	-
(m)	**Proceeds from redemption of debenture**				
	Rochem Separation Systems (India) Private Limited	8.93	-	-	-
(n)	**Service Income**				
	Concord Enviro FZE	2.58	-	-	-
(o)	**Corporate guarantee commission**				
	Rochem Separation Systems (India) Private Limited	4.03	-	-	-
	Concord Enviro FZE	0.29	-	-	-
In the Books of Concord Enviro FZE:					
(a)	**Purchase of goods**				
	Rochem Separation Systems (India) Private Limited*	181.01	298.96	721.64	281.31
	Blue Water Trading and Treatment FZE	177.44	307.89	255.02	216.34
(b)	**Sale of goods**				
	Blue Water Trading and Treatment FZE	82.96	292.26	141.94	82.58
	Rochem Separation Systems (India) Private Limited*	-	-	0.22	0.11
(c)	**Dividend paid**				
	Concord Enviro Systems Limited*	3.68	-	-	-
(d)	**Interest income on loan given**				
	Blue Water Trading and Treatment FZE	-	5.60	9.37	8.69
(e)	**Dividend income**				
	Blue Water Trading and Treatment FZE	-	60.80	59.20	54.82
(f)	**Loan taken**				
	Blue Water Trading and Treatment FZE	65.52	76.74	168.43	229.82
(g)	**Service charge**				
	Concord Enviro Systems Limited*	2.56			
(g)	**Corporate guarantee commission expenses**				
	Concord Enviro Systems Limited	0.29			
(h)	**Loan given**				
	Concord Enviro Mexico	1.12	1.90	2.90	2.29
In the Books of Concord Enviro Mexico:					
(a)	**Loan taken**				
	Concord Enviro FZE	1.12	1.90	2.90	2.29
In the Books of Blue Water Trading and Treatment FZE:					
(a)	**Purchase of good**				
	Concord Enviro Systems Limited*	-	-	4.14	11.58
	Rochem Separation Systems (India) Private Limited*				1.22
	Concord Enviro FZE	82.96	292.26	141.94	82.58
(b)	**Sale of good**				
	Concord Enviro Systems Limited*	-	-	12.54	6.69
	Rochem Separation Systems (India) Private Limited*	349.31	466.21	620.42	459.73
	Concord Enviro FZE	177.44	307.89	255.02	216.34
(c)	**Interest receivable written off**				
	Rochem Separation Systems (India) Private Limited*	15.36	-	11.29	-
(d)	**Interest expenses on loan taken**				
	Concord Enviro FZE	-	5.60	9.37	8.69
(e)	**Dividend paid**				
	Concord Enviro FZE	-	60.80	59.20	54.82

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

	Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
(f)	**Loan given**				
	Concord Enviro FZE	65.52	76.74	168.43	229.82
In the Books of Rochem Separation Systems (India) Private Limited:					
(a)	**Purchase of good**				
	Blue Water Trading & treatment FZE	355.97	467.37	610.16	459.63
	Concord Enviro Systems Limited	0.55	30.11	94.05	83.04
	Concord Enviro FZE		0.00	0.22	0.11
	Reva Enviro Systems Private limited	-	16.35	31.94	14.17
(b)	**Sale of good**				
	Concord Enviro FZE	182.00	294.47	699.10	281.31
	Blue Water Trading & Treatment FZE	-			1.22
	Concord Enviro Systems Limited	-	-	20.59	20.16
(c)	**Purchase of material - Return**				
	Concord Enviro Systems Limited	-	-	-	3.15
(d)	**Purchases property, plant and equipments**				
	Concord Enviro Systems Limited	-	5.49	-	-
(e)	**Interest expenses on loan taken**				
	Concord Enviro Systems Limited	0.09	0.06	1.47	19.52
(f)	**Interest payable written back**				
	Blue Water Trading & Treatment FZE	15.36		11.29	-
(g)	**Reimbursement of expenses**				
	Concord Enviro Systems Limited	-			15.55
(h)	**Service and labour charges**				
	Reva Enviro Systems Pvt. Ltd.		-	12.00	
	Rochem Services Private Limited	115.31			
(i)	**Loan repaid**				
	Concord Enviro Systems Limited	8.90	14.03	55.52	49.38
(j)	**Loans and advances received**				
	Concord Enviro Systems Limited	8.90	14.03	19.26	33.75
(k)	**Write-off of receivable**				
	Concord Enviro FZE				0.00
(l)	**Purchase of preference shares of Rochem Green Energy Pvt Ltd**				
	Concord Enviro Systems Limited				268.50
(m)	**Dividend payable written back**				
	Rochem Sepration Services (India) Private Limited	-	-	-	2.99
(n)	**Redemption of debenture**				
	Concord Enviro Systems Limited	8.93			
(o)	**Corporate guarantee commission expenses**				
	Concord Enviro Systems Limited	4.03			
In the Books of Reva Enviro Systems Private Limited:					
(a)	**Sale of good**				
	Rochem Sepration Services Private (India) Limited	-	16.35	31.94	14.17
(b)	**Recovery of Manpower Cost**				
	Concord Enviro Systems Limited		0.19	2.59	0.91
(c)	**Loan received**				
	Concord Enviro Systems Limited	0.02	12.52		
(d)	**Interest on Loan**				
	Concord Enviro Systems Limited	0.75	0.36	0.45	0.58
(e)	**Service income**				
	Rochem Sepration Services Private (India) Limited			12.00	
(f)	**Loan repayment**				
	Concord Enviro Systems Limited	3.54	0.19	2.59	1.07
In the Books of Rochem Services Private Limited:					
(a)	**Service income**				
	Rochem Sepration Services Private (India) Limited	115.31	-	-	-
(b)	**Loan Taken**				
	Concord Enviro Systems Limited	-	1.22	-	-

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
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Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

The balances receivables from and payable within the Group: (these transactions got eliminated in restated Consolidated financial information)

Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
In the Books of the Company				
(a) Interest receivable				
Rochem Sepration Services Private (India) Limited	-	0.00	0.04	10.98
Reva Enviro Systems Private Limited	0.86	0.11	1.66	1.25
(b) Trade receivables				
Rochem Sepration Services Private (India) Limited	-	0.06	15.92	21.80
Blue Water Trading & Treatment FZE	-	-	1.12	-
(c) Short term loans and advances- receivable				
Reva Enviro Systems Private Limited	13.33	16.85	6.17	36.26
Rochem Services Private Limited	1.22	1.22	-	-
(d) Trade payables				
Blue Water Trading & Treatment FZE	-	-	7.99	0.41
(e) Advance from Customers				
Rochem Separation Systems (India) Private Limited	5.05	-	-	-
(f) Corporate guarantee given				
Rochem Separation Systems (India) Private Limited	924.15	978.32	958.46	800.70
Concord Enviro FZE	353.54	238.02	-	-
(g) Investment in 0.001% Compulsary Convertible Debentures				
Rochem Separation Systems (India) Private Limited	-	8.93	8.93	8.93
(h) Investment in 4.5% Redemable Cummulative Preference Share				
Rochem Separation Systems (India) Private Limited	32.50	32.50	32.50	32.50
(i) Investment in 0.001% Compulsary Convertible Non-Cummulative Preference Share				
Rochem Separation Systems (India) Private Limited	0.40	0.40	0.40	0.40
In the Books of the Rochem Separation Systems (India) Private Limited				
(a) Long Term Borrowings-0.001% Compulsary Convertible Debentures				
Concord Enviro Systems Limited	-	8.93	8.93	8.93
(b) 4.5% Redemable Cummulative Preference Share				
Concord Enviro Systems Limited	32.50	32.50	32.50	32.50
(c) 0.001% Compulsary Convertible Non-Cummulative Preference Share				
Concord Enviro Systems Limited	0.40	0.40	0.40	0.40
(d) Trade Payables				
Blue Water Trading & Treatment FZE	406.11	303.08	477.86	397.30
Concord Enviro Systems Limited	-	0.06	15.92	21.80
Rochem Services Private Limited	21.54	-	-	-
Concord Enviro FZE	-	-	0.22	-
(e) Advance from Customers				
Concord Enviro FZE	-	-	-	13.39
(f) Interest accrued but not due				
Concord Enviro Systems Limited	-	0.00	0.04	10.98
(g) Trade Receivables				
Concord Enviro FZE	75.83	27.94	279.29	-
(h) Advance for goods or services				
Concord Enviro Systems Limited	5.05	-	-	-
Reva Enviro System Private Limited	13.03	2.03	10.10	17.37
(i) Corporate guarantee accepted				
Concord Enviro Systems Limited	924.15	978.32	958.46	800.70
In the Books of the Rochem Services Private Limited				
(a) Loan Payable				
Concord Enviro Systems Limited	1.22	1.22	-	-
(b) Trade Receivables				
Rochem Separation Systems (India) Private Limited	21.54	-	-	-
In the Books of the Reva Enviro Systems Private Limited				
(a) Advance from Customer				
Rochem Seperation Systems (India) Pvt Ltd	13.03	2.03	10.10	17.37
(b) Loan Payable				
Concord Enviro Systems Limited	13.33	16.85	6.17	36.26
(c) Interest payable				
Concord Enviro Systems Limited	0.86	0.11	1.66	1.25
(d) Corporate guarantee accepted				
Concord Enviro Systems Limited	353.54	238.02	-	-
In the Books of the Concord Enviro FZE				
(a) Corporate guarantee accepted				
Concord Enviro Systems Limited	353.54	238.02	-	-
(b) Trade payable				
Rochem Separation Systems (India) Private Limited	75.83	27.94	279.29	-
(c) Trade receivable				
Rochem Separation Systems (India) Private Limited	-	-	0.22	-
(d) Advance to supplier				
Rochem Separation Systems (India) Private Limited	-	-	-	13.39
(e) Loan receivable				
Blue Water Trading & Treatment FZE	65.52	-	-	-
Concord Enviro Mexico	75.67	73.48	73.97	65.10
(f) Loan Payable				
Blue Water Trading & Treatment FZE	-	76.74	168.43	229.82

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

	Particular	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
In the Books of the Blue Water Trading & Treatment FZE					
(a)	**Trade receivable**				
	Concord Enviro Systems Limited	-	-	7.99	0.41
	Rochem Separation Systems (India) Private Limited	406.11	303.08	477.86	397.30
(b)	**Trade payable**				
	Concord Enviro Systems Limited	-	-	1.12	-
(c)	**Loan receivable**				
	Concord Enviro FZE	-	76.74	168.43	229.82
(d)	**Loan Payable**				
	Concord Enviro FZE	65.52	-	-	-
In the Books of the Concord Enviro Mexico					
(a)	**Loan Payable**				
	Concord Enviro FZE	75.67	73.48	73.97	65.10

*In case of elimination of transactions/closing balances with Foreign Subsidiaries, the difference is on account of Foreign Exchange Rate Fluctuation.

57 Segment Reporting:

The Group manages its business on the basis of one reportable segment and the product and segment share similar distribution channels and customers. Accordingly information relating to segment reporting as required by Indian Accounting Standard 108 is not required to be submitted. The secondary disclosure related to geographical area are as under:

Particulars	Nine month period ended 31st December, 2021	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Revenue from operation				
Sale in India	1,742.66	2,588.89	2,505.61	2,542.34
Sale Outside India	451.09	887.13	1,326.52	434.41
Total	**2,193.75**	**3,476.02**	**3,832.13**	**2,976.75**

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets (non-financial)) by geographic area:

Particulars	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
India	703.28	803.52	922.07	806.53
Outside India	898.79	689.89	336.32	262.73
Total	**1,602.07**	**1,493.41**	**1,258.39**	**1,069.26**

58 Disclosures as per section 186(4) of the Companies Act, 2013

Sr. no.	Name of the recipient entity	Relationship with the company	Purpose (i.e proposed utilization by the recipient	As at 31st December, 2021	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019
1	**Loans given**						
	Calvin Associates Pvt. Limited.	None	Business/corporate general purpose	10.00	10.00	-	-
	Employees	None	Medical and other reasons	1.25	0.61	0.45	0.41
2	**Investments made**						
	Investments in equity shares						
	Saraswat Cooperative Bank	None	-	0.08	0.08	0.08	0.08
	Roserve Enviro Private Limited	Joint Venture		183.80	183.80	183.80	120.08
	Investments in preference shares						
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence		447.50	447.50	447.50	447.50
3	**Gurantees given**						
	Rochem Green Energy Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	46.05	78.21	97.34	113.08
	Roserve Enviro Private Limited	Joint Venture	External Commercial Borrowing	172.00	120.00	-	-
	Concord Shipping Private Limited	Enterprises over which key managerial personnel is able to exercise significant influence	Term Loan	41.86	48.06	50.10	59.93

59 First time adoption of Ind AS

Refer basis of preparation and presentation in note 2.1 in relation to the transition date for the purpose of first time adoption of Ind AS.

59.1 Exemptions and Exceptions Availed

The accounting policies set out in Note 3 have been applied in preparing the Restated Consolidated Financial Information. Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

(i) Ind AS optional exemptions

A. Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statement as at the date of transition to Ind AS, measured as per previous GAAP and used that as its deemed cost as at the date of transition after making necessary adjustment for decommissioning liabilities. Accordingly, the Group has elected to measure all of its property, plant and equipment at their previous GAAP carrying value as at transition date. For the purpose of restated consolidated financial information for the period/year ended 31st December, 2021, 31st March 2021, 31st March 2020 and 31st March 2019, the Group has provided the depreciation and amortisation based on the estimated useful life of respective years.

The Group has elected to measure intangible assets at the previous GAAP carrying amount as its deemed cost on the date of transition to Ind AS.

B. Fair value measurement of financial assets or financial liabilities at initial recognition

Ind AS 101 provides the option to apply the requirements in paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the date of transition to Ind AS. The Group elected to apply the Ind AS 109 prospectively to financial assets and financial liabilities after its transition date.

C. Classification and Measurement of Financial Assets

The Group has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

D. Leases

The Group has applied the modified retrospective approach in applying Ind AS 116.

(ii) Ind AS mandatory exceptions

A. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as at the date of transition. Further, the standard permits measurement of financial assets accounted at amortized cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable. Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of financial assets accounted at amortized cost has been done retrospectively except where the same is impracticable.

C. Estimates

On assessment of the estimates made under the previous GAAP financial statements, the Group has concluded that there is no necessity to revise the estimates under Ind AS, as there is no objective evidence of an error in those estimates. However, estimates that were required under Ind AS but not required under previous GAAP are made by the Group for the relevant reporting dates reflecting conditions existing as at that date. (also refer basis of preparation in note 2.1) Key estimates considered in preparation of financial statements that were not required under the previous GAAP are listed below:

- Fair valuation of financial instruments carried at FVTPL
- Determination of the discounted value for financial instruments carried are amortized cost.
- Impairment of financial assets based on the expected credit loss model.

59.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity and total comprehensive income for the prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Information
(Amount in millions, unless otherwise stated)

(i) Reconciliation of total equity between previous GAAP and Ind AS for following period:

Particulars	Notes to first time adoption of Ind AS	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
Total Equity (shareholders funds) as per previous GAAP		3,415.63	3,259.71	2,799.01	2,477.14
Adjustments on Ind AS transitions:					
Adjustment on account of transition to Ind AS 116 (leases and security deposits in accordance with Ind AS 109)	(i)	(34.44)	(28.00)	(5.82)	(6.18)
Impairment of receivables, loans and advances	(ii)	(509.81)	(491.63)	(473.83)	(490.39)
Impairment of Financial Assets / Investment	(iii)	(447.50)	(447.50)	(447.50)	(447.50)
Financial instrument classified as financial liability (Refer Note No 20.10)	(iv)	(2,600.00)	(2,517.94)	(2,290.70)	(2,166.40)
Provision for regulatory liability	(v)	(5.00)	(5.00)	(5.00)	(5.00)
Other adjustments	(vi)	(8.45)	(49.47)	(14.51)	(17.80)
Deferred Tax on adjustment	(vii)	82.58	77.97	90.41	105.90
Total impact on adjustments		**(3,522.63)**	**(3,461.58)**	**(3,146.45)**	**(3,027.37)**
Total Equity as per Special Purpose Consolidated Interim Ind AS financial statement / 2020 Special Purpose Consolidated Ind AS Financial Statement		**(107.00)**	**(201.87)**	**(347.44)**	**(550.23)**
Restatement adjustments -					
Add/(less) adjustments on account of transition to Ind AS 116 w.e.f. 1st April 2018 (Refer note 59.5)		-	-	(2.80)	-
Total equity as per Restated Consolidated Financial Information		**(107.00)**	**(201.87)**	**(350.24)**	**(550.23)**

(ii) Reconciliation of total comprehensive income between previous GAAP and Ind AS for following period:

Particulars	Notes to first time adoption of Ind AS	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Profit after tax as per previous GAAP		**227.35**	**348.39**	**278.11**
Adjustments on Ind AS transitions:				
Adjustment on account of transition to Ind AS 116 (Leases) and security deposits in accordance with Ind AS 109	(i)	(29.05)	(22.18)	(4.12)
Impairment of receivables, loans and advances	(ii)	(15.89)	(11.94)	15.98
Unwinding of present value of redemption amount in respect of financial instrusment classified as financial liability (Refer note 20.10)	(iv)	-	(227.24)	(124.31)
Other Adjustments	(vi)	16.16	0.25	4.08
Remeasurement of defined benefit consider in other comphrensive income	(viii)	(0.01)	4.29	1.48
Deferred Tax on adjustment	(vii)	(0.44)	(12.97)	(15.49)
Total impact on adjustments		**(29.23)**	**(269.79)**	**(122.38)**
Profit after tax as per Special Purpose Consolidated Interim Ind AS financial statement / 2020 Special Purpose Consolidated Ind AS Financial Statement		**198.12**	**78.60**	**155.73**
Remeasurement of defined benefit (net of tax)	(viii)	0.01	(4.29)	(1.48)
Foreign exchange differences on translation of foreign operations	(ix)	(60.30)	78.60	42.94
Total comprehensive income as per Special Purpose Consolidated Interim Ind AS financial statement / 2020 Special Purpose Consolidated Ind As Financial Statement		**137.83**	**152.91**	**197.20**
Restatement adjustments:-				
Add/(less) adjustments on account of transition to Ind AS 116 w.e.f. 1st April 2018 (Refer note 59.5)		**-**	**-**	(2.80)
Total other comphrensive income as per Restated Consolidated Financial Information		**137.83**	**152.91**	**199.99**

59.3 Notes to First Time Adoption:

(i) Leases (Ind AS 116)

Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from April 1, 2019. For the purpose of preparing Restated Financial Information, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018 as prescribed by ICDR, 2018.

Effective April 1, 2018, the Group had recognised lease liability measured at an amount equal to present value of remaining lease payments and corresponding Right of Use asset at an amount equivalent to lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before April 1, 2018. ROU assets are being amortized over the period of the lease. Interest on lease liabilities are recognised as charge following incremental rate of borrowing method and lease liabilities (including interest) are adjusted either on settlement through periodic payouts or on reversal for rent concessions negotiated with lessors.

The Group has elected to applied the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption as stated in Ind AS 116.

Under previous GAAP, interest free security deposits (that are refundable in cash on completion of the term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognised initially at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS and subsequently measured at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as Right to Use (ROU) asset. Amortisation of ROU Asset was charged to the statement of statement of profit and loss over ther period of security deposit along with simultaneous credit to the statement of profit and loss as interest income through unwinding of income over term of the security deposit.

(ii) Impairment of trade receivables, loans and advances

Under previous GAAP, the Group has created case by case provision for impairment of trade receivables, loan and advances

Under IndAS, the Group has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Group has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial recognition, as permitted by Ind AS 101.Impairment allowance has been determined based on expected credit loss method as per simplified approach.

(iii) Impairment of Financial Assets / Investments

The Group has made provision for impairment of financial assets / investments in related parties on transition to Ind AS. No provision was made under previous GAAP for these investments. Refer Note 2.1 in Basis of preparation and presentation.

(iv) Recognition of financial instrusments

Under previous GAAP, equity and preference shares were recognised under share capital as part of shareholders fund.

Under IND-AS, with reference to Ind AS 32 on (Financial Instruments- Presentation) which deals with the measurement of financial assets and financial liabilities define the "Equity instruments" as instruments that evidence a residual interest in the assets of an entity after deducting all its liability. The obligation by the Company to purchase its own equity instruments for cash is considered as liability. The liability component is disclosed under the head "Borrowing (non-current) and the equity component, which represents the residual amount, is disclosed under the head "Other Equity". The effective interest on such instrument classified as "Financial Liability" is disclosed separately under the head "Finance cost". (Refer Note 20.10)

(v) Provision for regulatory liabilities

While transitioning to Ind AS, the Group has made the provision for the compounding fees payable based on the application filed u/s 441 of the Companies Act, 2013 for non-compliance with Section 185 of the Companies Act, 2013.No such provision were made in the financial statements reported under previous GAAP. Refer Note 2.1 in Basis of preparation and presentation.

(vi) Other adjustments

Impact of Equity accounting of Joint Ventures - The difference between the carrying value of the investment as calculated based on previous GAAP and IND AS is recorded in equity.

Foreign Currency Translation Reserve - The financial information and financial position of a foreign operation are translated into a presentation currency so that the foreign operation can be included in the financial statements of the reporting entity by consolidation or the equity method. The difference in FCTR between previous GAAP and Ind AS is arising on account of Ind AS adjustments carried out in foreign operations.

Fair value impact of derivatives- Under previous GAAP, Group amortized the forward premium paid over the term of the contract**.**

Under Ind-AS, Forward contract (i.e. Derivative Contract) is required to be classified and measured at fair value through profit and loss at each reporting date**.**

Effective Interest Rate – Under Ind AS, interest cost is accounted using effective interest method of calculating the amortised cost of a debt instrument and allocating interest over the relevant period. Under previous GAAP, interest expense were accounted on accrual basis.

Corporate guarantees issued – Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized as a financial liability at the time the guarantee is issued at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of expected loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization. Under previous GAAP, no such fair value adjustments where carried out.

(vii) Deferred Tax

Under Ind AS, deferred tax has been recognised on the adjustment made on transition to Ind AS. Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 required entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP.

(viii) Defined benefit liabilities

Under Ind AS, remeasurements on defined benefit plans i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit and loss. Under the previous GAAP, these remeasurements were forming part of the profit and loss for the year. There is no impact on total equity.

(ix) Under Ind AS foreign currency translation reserve is presented as part of other comphrensive income in the statement of profit and loss and statement of changes in equity and reserves and surplus. Under previous GAAP same was presented directly as part of reserves and surplus

59.4 Restatement adjustments on account of transition to Ind AS w.e.f 1st April 2020

The below table provides reconciliation of impact on account of transition date considered as 1st April 2018 being different from statutory transition date of 1st April 2020. (Refer note 2.1 - Basis of preparation and presentation)

Particulars	Amount
Other Equity balance as at 31st March, 2020	**(204.95)**
Adjustment on account of transition as per IND AS 101	
Adjustment on account of transition to Ind AS 116 (leases and security deposits in accordance with Ind AS 109)	21.47
Financial instrument classified as financial liability (Refer Note No 20.10)	(82.06)
Other Adjustments	12.68
Deferred Tax on adjustment	4.95
Total adjustments	**(42.96)**
Other Equity balance as at 1st April, 2020	**(247.90)**

59.5 Reconciliation of movement due to adoption of Ind AS 116 w.e.f. 1st April 2018

Ind AS 116 - Leases effective from April 1, 2019, prescribes accounting of the lease contracts/arrangements. The Group had applied Ind AS 116 for preparing the Ind AS audited financial statements for the period beginning from April 1, 2019. For the purpose of preparing Restated Financial Information, Ind AS 116 has been applied using the modified retrospective approach with effect from April 1, 2018 as prescribed by ICDR, 2018.

The Group has followed the same accounting policy choices (transition options as per Ind AS 116) as adopted on April 1, 2019 for transition to Ind AS 116, while preparing the Restated Consolidated Financial Information for each of the period/year ended December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. As specified in the Guidance Note, the equity balance computed under Restated Consolidated Financial Information for the year ended March 31, 2019 and equity balance computed on transition to Ind AS 116 on April 1, 2019, differs due to restatement adjustments made for year ended March 31, 2019. Accordingly, following balances as at March 31, 2019 of the Restated Consolidated Financial Information has not been carried forward to opening balance sheet as at April 1, 2019. The reconciliation difference is as below:

Particulars	Amount
Other Equity balance as at 31st March, 2019	**(353.32)**
Restatement adjustments	
Ind AS 116	(2.80)
Other Equity balance as at 1st April, 2019	**(356.11)**

59.6 Reconciliation of Restated consolidated assets and liabilities as at 31st March, 2020 on account of different transition date:

sr. no	Particulars	As at 31st March, 2020 Debit / (Credit) balance	Effect due to different transition date (Refer note 2.1 in significant accounting policies)	As at 1st April 2020 Debit / (Credit) balance
1	Right of use assets	454.70	8.45	463.15
2	Deferred tax assets (net)	43.22	4.95	48.17
3	Borrowings	(3,622.76)	(82.05)	(3,704.81)
4	Other equity	204.95	42.96	247.90
5	Lease liability	(419.93)	24.00	(395.93)
6	Investments	1.72	(0.67)	1.05
7	Other financial assets	99.40	(0.78)	98.61
8	Other assets	626.09	9.89	635.98
9	Other financial liabilities	(22.72)	(0.84)	(23.56)
10	Other liabilities	(11.67)	(5.91)	(17.59)

59.7 Reconciliation of Restated Balance sheet as at 31st March, 2019 on account of IND AS 116 impact

sr. no	Particulars	As at 31st March, 2019 Debit / (Credit) balance	Effect due to IND AS 116 (Refer note 2.1 in significant accounting policies)	As at 1st April, 2019 Debit / (Credit) balance
1	Right of use assets	320.45	(1.12)	319.32
2	Other equity	353.32	2.80	356.11
3	Lease liability	(272.41)	(1.68)	(274.10)

60 Additional information as required under schedule III to the Companies Act, 2013, of the enterprises consolidated as subsidiary are as given below:

Name of the Entity	Relationship	Net Assets		Share in profit and loss		Share in other comperhensive income		Share in total comperhensive income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
Concord Enviro System Private limited									
31st March 2019	Holding Company	436.67%	(1,529.30)	-65.04%	(103.23)	0.00%	-	-51.57%	(103.23)
31st March 2020		862.17%	(1,740.34)	-268.50%	(211.04)	0.00%	-	-138.02%	(211.04)
31st March 2021		1973.71%	(2,112.37)	-4.88%	(9.67)	0.00%	-	-7.02%	(9.67)
31st December 2021		18.91%	479.80	-25.79%	(7.81)	-0.15%	(0.02)	-17.43%	(7.83)
Rochem Seperation System (India) Private Limited									
31st March 2019	Subsidiary	-270.10%	945.96	70.11%	111.28	-3.61%	(1.50)	54.84%	109.78
31st March 2020		-515.78%	1,041.12	123.67%	97.20	-5.77%	(4.29)	60.77%	92.92
31st March 2021		-1009.74%	1,080.68	15.29%	30.30	-0.02%	0.01	21.99%	30.31
31st December 2021		41.24%	1,046.67	-52.08%	(15.76)	-5.12%	(0.75)	-36.77%	(16.51)
Reva Enviro Systems Private limited									
31st March 2019	Subsidiary	5.16%	(18.08)	-2.51%	(3.99)	0.00%	-	-1.99%	(3.99)
31st March 2020		6.21%	(12.54)	-0.14%	(0.11)	0.00%	-	-0.07%	(0.11)
31st March 2021		20.32%	(21.74)	-2.15%	(4.25)	0.00%	-	-3.09%	(4.25)
31st December 2021		-1.09%	(27.73)	-19.21%	(5.82)	-1.16%	(0.17)	-13.33%	(5.99)
Rochem Service Private Limited									
31st March 2019	Subsidiary	3.68%	(12.90)	-1.21%	(1.92)	0.00%	-	-0.96%	(1.92)
31st March 2020		1.40%	(2.83)	-2.12%	(1.66)	0.00%	-	-1.09%	(1.66)
31st March 2021		2.11%	(2.26)	0.29%	0.58	0.00%	-	0.42%	0.58
31st December 2021		-0.66%	(16.84)	-47.92%	(14.50)	-0.51%	(0.08)	-32.47%	(14.58)

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Statement
(Amount in millions, unless otherwise stated)

Name of the Entity	Relationship	Net Assets		Share in profit and loss		Share in other comperhensive income		Share in total comperhensive income	
		As % of Consolidated net assets	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount	As % of Consolidated profit or loss	Amount
Concord Enviro FZE									
31st March 2019	Subsidiary	-265.15%	928.63	82.68%	131.24	103.61%	42.96	87.02%	174.20
31st March 2020		-604.05%	1,219.31	263.09%	206.79	105.54%	78.42	186.53%	285.21
31st March 2021		-1226.48%	1,312.64	75.93%	150.42	99.19%	(59.80)	65.76%	90.62
31st December 2021		54.78%	1,390.28	200.34%	60.64	104.84%	15.34	169.21%	75.98
Roserve Enviro Pvt. Ltd.									
31st March 2019	Joint venture	0.00%		4.00%	6.35	0.00%	-	3.17%	6.35
31st March 2020		0.00%		-0.02%	(0.02)	0.23%	0.17	0.10%	0.15
31st March 2021		0.00%		3.29%	6.51	0.83%	(0.50)	4.36%	6.01
31st December 2021		0.00%		24.48%	7.41	2.10%	0.31	17.19%	7.72
Consolidation Adjustments/ Eliminations									
31st March 2019		-189.74%	664.52	-11.97%	(19.00)	0.00%	-	-9.49%	(19.00)
31st March 2020		-350.04%	706.57	15.98%	12.56	0.00%	-	8.21%	12.56
31st March 2021		-340.09%	363.98	-12.23%	(24.22)	0.00%	-	-17.57%	(24.22)
31st December 2021		13.17%	334.30	-20.18%	(6.11)	0.00%		-13.61%	(6.11)
31st March 2019	Total	**100.00%**	**(350.22)**	**100.00%**	**158.72**	**100.00%**	**41.47**	**100.00%**	**200.19**
31st March 2020		**100.00%**	**(201.86)**	**100.00%**	**78.60**	**100.00%**	**74.31**	**100.00%**	**152.90**
31st March 2021		**100.00%**	**(107.03)**	**100.00%**	**198.10**	**100.00%**	**(60.29)**	**100.00%**	**137.81**
31st December 2021		**100.00%**	**2,537.89**	**100.00%**	**30.27**	**100.00%**	**14.63**	**100.00%**	**44.90**

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Statement
(Amount in millions, unless otherwise stated)

61 Financial Ratios

61.1 Ratios and change in ratios vis a vis earlier period/ year:

Particulars	Numerator	Denominator	As at 31st December, 2021*	As at 31st March, 2021	% change from 31st March 2021 to 31st December 2021	Note on reason for change of more than 25% in Ratios
(a) Current ratio	Current assets	Current liabilities	1.74	0.74	-135%	61.2(a)
(b) Debt Equity Ratio	Total Debt[1]	Shareholder's equity	0.47	(34.29)	101%	61.2(b)
(c) Debt Service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.33	1.91	31%	61.2(c)
(d) Return on Equity (%)	Net profit after tax	Average shareholder's equity	0.02	(1.28)	102%	61.2(d)
(e) Inventory Turnover Ratio	Cost of goods[4]	Average inventory	0.72	1.23	42%	61.2(e)
(f) Trade receivable Turnover ratio	Revenue from operations	Average closing trade receivables	1.68	2.31	27%	61.2(f)
(g) Trade payable Turnover ratio	Purchases of material and expenses (Net of Notional Expense[7])	Average trade payables (excluding dues payable to employees)	2.39	2.32	-3%	N/A
(h) Net capital turnover ratio	Revenue from operations	Working capital[5]	1.63	(2.97)	155%	61.2(g)
(i) Net profit (%)	Net profit after tax	Revenue from operations	1%	6%	76%	61.2(h)
(j) Return on capital employed	Earning before interest and taxes	Capital Employed[6]	0.05	0.12	61%	61.2(i)

*** Ratios as on 31st December 2021 vis a vis 31st March 2021 are not comparable because of seasonality, period (months) involved and ratios as at December 2021 are not annualised.**

Note:

Total Debt[1] - Current borrowings (including current maturity of long term borrowings) + Non Current borrowing .

Earnings available for debt service[2] - profir after tax + Depreciation + Finance Cost.

Debt service[3] - Finance Cost + Principal repayment of borrowing, debenture and Lease Liability

Cost of goods[4] - Cost of raw materials and components consumed, Purchase of Stock in Trade and Increase/(decrease) in inventories of finished goods and work-in-progress

Working capital[5] - Current Asset and - Current liabilities

Capital Employed[6] - Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) , Total Debt[1] and Deferred Tax asset

Net of Notional Expense[7] includes Amortisation of premium on forward exchange contracts,Net loss on foreign exchange fluctuations,Liquidated damages,Bad debts written off,Impairment loss recognised under expected credit loss model

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Statement
(Amount in millions, unless otherwise stated)

Ratios and change in ratios vis a vis earlier period/ year:

Particulars	Numerator	Denominator	As at 31st March, 2021	As at 31st March, 2020	% change from 31st March 2020 to 31st March, 2021	Note on reason for change of more than 25% in Ratios
(a) Current ratio	Current assets	Current liabilities	0.74	0.73	-2%	N/A
(b) Debt Equity Ratio	Total Debt[1]	Shareholder's equity	(34.29)	(17.95)	-91%	61.2(b)
(c) Debt Service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.91	1.35	-42%	61.2(c)
(d) Return on Equity (%)	Net profit after tax	Average shareholder's equity	(1.28)	(0.28)	-351%	61.2(d)
(e) Inventory Turnover Ratio	Cost of goods[4]	Average inventory	1.23	1.26	2%	N/A
(f) Trade receivable Turnover ratio	Revenue from operations	Average closing trade receivables	2.31	2.78	17%	N/A
(g) Trade payable Turnover ratio	Purchases of material and expenses (Net of Notional Expense)	Average trade payables (excluding dues payable to employees)	2.32	3.48	33%	61.2(f)
(h) Net capital turnover ratio	Revenue from operations	Working capital[5]	(2.97)	(2.79)	-7%	N/A
(i) Net profit (%)	Net profit after tax	Revenue from operations	0.06	2%	-178%	61.2(h)
(j) Return on capital employed	Earning before interest and taxes	Capital Employed[6]	0.12	0.16	23%	N/A

Note:

Total Debt[1] - Current borrowings (including current maturity of long term borrowings) + Non Current borrowing .

Earnings available for debt service[2] - profir after tax + Depreciation + Finance Cost.

Debt service[3] - Finance Cost + Principal repayment of borrowing, debenture and Lease Liability

Cost of goods[4] - Cost of raw materials and components consumed, Purchase of Stock in Trade and Increase/(decrease) in inventories of finished goods and work-in-progress

Working capital[5] - Current Asset and - Current liabilities

Capital Employed[6] - Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) + Total Debt[1] - Deferred Tax asset

Net of Notional Expense[7] includes Amortisation of premium on forward exchange contracts,Net loss on foreign exchange fluctuations,Liquidated damages,Bad debts written off,Impairment loss recognised under expected credit loss model

Concord Enviro Systems Limited (Formerly known as Concord Enviro Systems Private Limited)
CIN: U45209MH1999PLC120599

Notes to the Restated Consolidated Financial Statement
(Amount in millions, unless otherwise stated)

Ratios and change in ratios vis a vis earlier period/ year:

Particulars	Numerator	Denominator	As at 31st March, 2020	As at 31st March, 2019	% change from 31st March 2020 to 31st March, 2019	Note on reason for change of more than 25% in Ratios
(a) Current ratio	Current assets	Current liabilities	0.73	1.49	51%	61.2(a)
(b) Debt Equity Ratio	Total Debt[1]	Shareholder's equity	(17.95)	(8.93)	-101%	61.2(b)
(c) Debt Service coverage ratio	Earnings available for debt service[2]	Debt service[3]	1.35	1.64	18%	N/A
(d) Return on Equity (%)	Net profit after tax	Average shareholder's equity	(0.28)	(0.35)	19%	N/A
(e) Inventory Turnover Ratio	Cost of goods[4]	Average inventory	1.26	1.18	-7%	N/A
(f) Trade receivable Turnover ratio	Revenue from operations	Average closing trade receivables	2.78	2.47	-13%	N/A
(g) Trade payable Turnover ratio	Purchases of material and expenses (Net of Notional Expense)	Average trade payables (excluding dues payable to employees)	3.48	2.91	-19%	N/A
(h) Net capital turnover ratio	Revenue from operations	Working capital[5]	(2.79)	3.20	187%	61.2(g)
(i) Net profit (%)	Net profit after tax	Revenue from operations	2%	5%	61%	61.2(h)
(j) Return on capital employed	Earning before interest and taxes	Capital Employed[6]	0.16	0.19	15%	N/A

Total Debt[1] - Current borrowings (including current maturity of long term borrowings) + Non Current borrowing .

Earnings available for debt service[2] - profir after tax + Depreciation + Finance Cost.

Debt service[3] - Finance Cost + Principal repayment of borrowing, debenture and Lease Liability

Cost of goods[4] - Cost of raw materials and components consumed, Purchase of Stock in Trade and Increase/(decrease) in inventories of finished goods and work-in-progress

Working capital[5] - Current Asset and - Current liabilities

Capital Employed[6] - Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) , Total Debt[1] and Deferred Tax asset

Net of Notional Expense[7] includes Amortisation of premium on forward exchange contracts,Net loss on foreign exchange fluctuations,Liquidated damages,Bad debts written off,Impairment loss recognised under expected credit loss model

61.2 Ratio Reasoning for more than 25%:

(a) As at 31st December 2021 - Variation is on account of the reversal of financial instrument classified as financial liability to equity - Rs 2600 million.
As at 31st March 2020 - Variation is on account of reclassification of Borrowings as of 31st March 2020 to Current Liabilities Rs- 2600 million.

(b) As at 31st December 2021 - Variation is on account of movement of Rs 2600 million from Borrowings to Equity.
As at 31st March 2021 and 31st March 2020 - Variation is mainly on account of the profits for the year.

(c) As at 31st December 2021, 31st March 2021 and 31st March 2020 - Variation is on account of movement in the profits and interest and principal repayments.

(d) As at 31st December 2021, 31st March 2021 and 31st March 2020 - Variation is on account of movement in the average equity for the years

(e) As at 31st December 2021 - This ratio has decreased from previous year mainly due to increase in average Inventory.

(f) As at 31st December 2021 - The variation is of 32% both due to an increase in the Trade Payable balance and a reduction in purchases.

(g) As at 31st December 2021 - The variation is of 155% as Rs 2600 million has been classified from current liabilities to Equity.
31st March 2020 - The variation is of 211% as Rs 2600 Million was classified from borrowings to current liabilities in March 2020.

(h) As at 31st December 2021 , 31st March 2021 and 31st March 2020 - The variation is on account of movement in profits over the three different years.

(i) As at 31st December, 2021 - The ratio has decreses due to decrease in revenue.

62 Reconciliation of quarterly bank returns

Name of Bank	Particulars	Quarter	Amount as per books of Account	Amount as reported in quarterly returns	Amount of difference
Working Capital Lenders*	Debtors	31st March, 2021	1,532.46	1,539.82	(7.36)
Working Capital Lenders*	Stock	31st March, 2021	886.04	883.09	2.95
Working Capital Lenders*	Debtors	31st December, 2020	1,436.89	1,362.64	74.25
Working Capital Lenders*	Stock	31st December, 2020	928.07	859.65	68.42
Working Capital Lenders*	Debtors	30th September, 2020	1,401.39	1,392.92	8.47
Working Capital Lenders*	Stock	30th September, 2020	905.49	856.58	48.90
Working Capital Lenders*	Debtors	30th June, 2020	1,526.35	1,513.10	13.25
Working Capital Lenders*	Stock	30th June, 2020	1,049.42	986.95	62.46
Working Capital Lenders*	Debtors	31st March, 2020	1,618.74	1,634.99	(16.25)
Working Capital Lenders*	Stock	31st March, 2020	1,161.84	1,080.68	81.16
Working Capital Lenders*	Debtors	31st December, 2019	1,607.60	1,597.25	10.35
Working Capital Lenders*	Stock	31st December, 2019	995.70	982.01	13.69
Working Capital Lenders*	Debtors	30th September, 2019	1,262.55	1,333.29	(70.74)
Working Capital Lenders*	Stock	30th September, 2019	999.99	974.82	25.16
Working Capital Lenders*	Debtors	30th June, 2019	1,322.20	1,329.08	(6.88)
Working Capital Lenders*	Stock	30th June, 2019	953.08	914.42	38.66
Working Capital Lenders*	Debtors	31st March, 2019	1,397.52	1,448.68	(51.16)
Working Capital Lenders*	Stock	31st March, 2019	875.77	824.73	51.04
Working Capital Lenders*	Debtors	31st December, 2018	1,319.82	1,386.43	(66.61)
Working Capital Lenders*	Stock	31st December, 2018	861.49	797.11	64.37
Working Capital Lenders*	Debtors	30th September, 2018	1,202.67	1,269.60	(66.93)
Working Capital Lenders*	Stock	30th September, 2018	812.93	801.57	11.36
Working Capital Lenders*	Debtors	30th June, 2018	1,478.71	1,449.36	29.35
Working Capital Lenders*	Stock	30th June, 2018	747.85	747.85	-

*ICICI bank Limited, Bank of India, Standard Chartered Bank and IDBI Bank

Note for differences:
The bank returns were prepared and filed before the completion of all financial statement closure activities, which led to these differences between the final books of account and the bank return which were based on provisional books of account.

For and on behalf of the Board of Directors
Concord Enviro Systems Limited

Prayas Goel	**Prerak Goel**	**Sudarshan Kamath**	**Priyanka Nayak**
Managing Director	Executive Director	Chief financial officer	Company secretary
DIN: 00348519	DIN: 00348563		
Place: Mumbai	Place: Mumbai	Place: Mumbai	Place: Mumbai
Date:	Date:	Date:	Date:

OTHER FINANCIAL INFORMATION

Other Financial Information:

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations, as derived from the Restated Consolidated Summary Statements, are given below:

(In ₹ million, unless otherwise stated)

Particulars	As at and for the year ended March 31, 2019	As at and for the year ended March 31, 2020	As at and for the year ended March 31, 2021	As at and for the nine month period ended December 31, 2021
Restated profit for the period/ year (A)	158.52	78.60	198.12	30.26
Weighted average number of equity shares outstanding as at the period / year end for basic EPS (B)	6,16,100	6,16,100	6,16,100	10,11,100
Weighted average number of equity shares outstanding as at the period / year end for diluted EPS (C)	6,16,100	6,16,100	6.16,100	10,11,100
Basic Earnings per share (in ₹) (D = A/B)	**257.29**	**127.58**	**321.57**	**29.93**
Diluted Earnings per share (in ₹) (E = A/C)	**257.29**	**127.58**	**321.57**	**29.93**
Net Worth [(1)] **(F)**	(367.59)	(219.22)	(124.35)	2520.55
Restated profit for the period/ years **(G)**	158.52	78.60	198.12	30.26
Return on Net Worth (H = G/F*100) (%) [(2)]	**(43.12%)**	**(35.85%)**	**(159.32%)**	**1.20%**
Net Asset Value (I)	(350.24)	(201.87)	(107.00)	2,537.90
Weighted average number of equity shares outstanding as at the period / year end (J)	6,16,100	6,16,100	6,16,100	10,11,100
Net Asset Value per equity share (in ₹) **(K = I/J)** (in ₹) [(3)]	**(568.48)**	**(327.66)**	**(173.67)**	**2,510.04**

[(1)] *Net Worth is calculated as the sum of equity share capital and other equity, less capital reserve on consolidation.*

[(2)] *Return on Net Worth calculated as restated profit for the period / year divided by Net Worth.*

[(3)] *Net Asset Value per equity share = Net Asset Value, as restated / Weighted Average Number of equity shares outstanding at the period / year end as considered for calculation of basic and diluted EPS.*

For details of Non – GAAP measures, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures*" on page 321.

In accordance with Schedule VI, Part A (11)(I)(A)(ii)(b) of the SEBI ICDR Regulations, the audited standalone financial statements of our Company and its Material Subsidiaries for Fiscals 2021, 2020 and 2019 (collectively, the "**Audited Financial Statements**") are available on our website at www.concordenviro.in/financial-results/.

Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment decision. None of our Company or any entity in which our Shareholders have significant influence or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents, or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

RELATED PARTY TRANSACTIONS

For further details of the related party transactions, as per the requirements under applicable Indian Accounting Standards *i.e.* Ind AS 24 '*Related Party Transactions*' for the nine month period ended December 31, 2021 and the years ended March 31, 2021, March 31, 2020, and March 31, 2019 as reported in the Restated Consolidated Financial Information, see "*Restated Consolidated Financial Information – Note 56 Related party disclosures as required by IND AS*" on page 276.

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

The following discussion and analysis of our financial condition and results of operations is intended to convey management's perspective on our financial condition and results of operations for the nine month period ended December 31, 2021, and Fiscals 2021, 2020 and 2019. This discussion and analysis is based on, and should be read in conjunction with, our Restated Consolidated Financial Information (including the schedules, notes and significant accounting policies thereto) included in the section titled "Restated Consolidated Financial Information" beginning on page 215.

Our Restated Consolidated Financial Information have been derived from our audited consolidated financial statements for nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019 and restated in accordance with the SEBI ICDR Regulations and the ICAI Guidance. Our financial statements are prepared in accordance with Ind AS, notified under the Companies (Indian Accounting Standards) Rules, 2015, and read with Section 133 of the Companies Act, 2013 to the extent applicable. Ind AS differs in certain material respects from IFRS and U.S. GAAP and other accounting principles with which prospective investors may be familiar. Accordingly, the degree to which the financial statements prepared in accordance with Ind AS included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind AS accounting policies. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial information included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to IFRS or U.S. GAAP. Any reliance by persons not familiar with Ind AS accounting policies on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Please also see "Risk Factors – Significant differences exist between Ind-AS and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the Restated Consolidated Financial Information prepared and presented in accordance with Ind-AS contained in this Draft Red Herring Prospectus", on page 56.

Unless otherwise indicated or the context requires otherwise, (i) the financial information for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019 included herein have been derived from our restated consolidated balance sheets as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2010, and restated consolidated statements of profit and loss, cash flows and changes in equity for the nine month period ended December 31, 2021, and the fiscal years ended March 31, 2021, March 31, 2020 and March 31, 2019 of the Company, together with the statement of significant accounting policies, and other explanatory information thereon.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year. All references to a year are to that Fiscal Year, unless otherwise noted.

Some of the information contained in this section, including information with respect to our strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section titled "Forward-Looking Statements" beginning on page 17 for a discussion of the risks and uncertainties related to those statements and also the section titled "Risk Factors" and "Our Business" beginning on pages 26 and 154, respectively, for a discussion of certain factors that may affect our business, results of operations and financial condition. The actual results of the Company may differ materially from those expressed in or implied by these forward-looking statements.

Unless otherwise indicated, industry and market data used in this section has been derived from the F&S Report prepared and released by Frost & Sullivan and commissioned and paid for by us and prepared exclusively in connection with the Offer. We commissioned the F&S Report on January 21, 2022. The F&S Report is available on the website of our Company at www.concordenviro.in/ipo. Unless otherwise indicated, all financial, operational, industry and other related information derived from the F&S Report and included herein with respect to any particular year, refers to such information for the relevant financial year. For further details and risks in relation to commissioned reports, see "Risk Factors — Certain sections of this Draft Red Herring Prospectus contain information from the F&S Report which we commissioned and purchased and any reliance on such information for making an investment decision in the Offer is subject to inherent risks" on page 52. *Also, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and market data" on page* 14.

Unless otherwise stated, a reference to "the Company", or "our Company" in this section is a reference to Concord Enviro Systems Limited on a standalone basis, while any reference to "we", "us" and "our" in this section refers to Concord Enviro Systems Limited and its subsidiaries and joint ventures on a consolidated basis.

Overview

We are an integrated solutions provider of industrial wastewater reuse and zero liquid discharge ("**ZLD**") solutions, with an inhouse position across the value chain including design, component manufacturing, installation and commissioning and operation and maintenance ("**O&M**") including digitalization solutions including Internet of Things ("**IoT**") technology for analysis of customer data. According to Frost & Sullivan, we were the second largest Indian solutions provider in Fiscal 2021 for industrial water recycle and reuse systems in terms of revenue. *(Source: F&S Report, June 2022).* Further, in Fiscal 2021 we were the largest ZLD solutions provider in India in revenue terms, and through our recycling solutions have been supporting

our clients to achieve water conservation and achieve sustainability. *(Source: F&S Report, June 2022).* In the nine month period ended December 31, 2021 and Fiscal 2021, we serviced over 356 domestic customers and 27 international customers across a diverse set of industries such as pharmaceutical, chemicals, food and beverage, defence and offshore, automotive and auto ancillaries, steel and textiles.

We provide our solutions to customers on a turnkey basis or on rental basis under our "pay per use/pay as you treat" model so that customers are able to avoid large capital expenditures. Our integrated solutions incorporate our own custom designs of systems and plants including effluent treatment plants, membrane-based systems including ultra-filtration, nano-filtration, reverse osmosis and waste heat evaporators ("**WHE**"). In addition, we offer our customers a comprehensive suite of O&M services including spare parts. We also have implemented digitalization solutions (including IoT) to provide data capture and analysis platforms that enable real-time monitoring, troubleshooting and preventative maintenance of our installed systems and plants.

We develop our solutions through our inhouse R&D team, which designs industry-specific membranes for our systems and develops new technologies and processes. As of March 31, 2022, we had been awarded three patents in India and had filed three additional patent applications. We have two manufacturing facilities, one located at Vasai in Maharashtra, India, and the other at Sharjah in the UAE.

Our business comprises: (1) the manufacture and sale or lease of systems and plants; (2) O&M services; (3) the manufacture and sale of consumables and spare parts (including membranes, chemicals and consumables); and (4) the manufacture and sale of modules.

We design custom solutions and manufacture systems for industrial wastewater treatment and reuse and seawater desalination. Our solutions include treatment of wastewater using membrane-based systems, ZLD using WHEs and dryers and desalination of seawater. Our ZLD solution using our ultra-high pressure reverse osmosis ("**UHPRO**") systems and advanced waste heat evaporation systems reduce total energy demand for ZLD . Our waste heat evaporation plants use thermal energy from waste heat such as engine cooling heat/exhaust heat as a means to extract clean water from highly concentrated waste waters and reverse osmosis plant rejects. WHE technology consumes less energy. *(Source: F&S Report, June 2022).* According to Frost & Sullivan, WHE technology offers lower O&M costs. *(Source: F&S Report, June 2022).* In addition, our inhouse R&D team designed ultra-high pressure modules. According to Frost & Sullivan, we were the first company to introduce UHPRO membranes in India, which have the capability of high recovery rates. *(Source: F&S Report, June 2022).*

We manufacture our own modules inhouse which are used in our systems and plants for our customers. In addition, we sell these specialized modules across markets including sales to other solution providers and system integrators. Our modules offering allows us easy access to markets through distributors and system integrators which would otherwise have a higher gestation period and involve significant investment in market development.

We offer our customers an all-in-one O&M contract which includes operations, maintenance and the supply of consumables and spares. Our O&M contracts are typically for a term of one to three years. As of December 31, 2021, March 31, 2021 and March 31, 2020, we had O&M contracts with 148, 150 and 143 customers, respectively, and we estimate that approximately 60% of our customers that purchase or lease our systems and plants enter O&M contracts with us.

We have a diversified customer base across industry sectors and geographies. In the nine month period ended December 31, 2021 and in Fiscal 2021, we exported our products and delivered our services to over 18 countries in Asia, North Africa, Latin America and Europe. We have a history of high customer retention and derive a significant proportion of our revenue from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements. In the nine month period ended December 31, 2021, our top ten customers accounted for 38.60% of consolidated revenue from operations, and we enjoy relationships in excess of three years with 10 of our top ten customers.

We develop solutions to address industry specific challenges and requirements using our R&D capabilities. We are engaged in R&D activities to develop new membranes for use in particular industries, improved module design and new technology and systems. As of December 31, 2021, our R&D team included 22 employees. Our R&D has played a key role in the expansion of our membrane portfolio, and we have developed five membranes that we have commercialized. Our R&D team has also developed improved module designs, especially for high concentration applications where due to presence of higher suspended solids and colloidal particle formation, greater flow channels are required. We also have recently utilized our R&D capabilities to develop a ZLD process using renewable energy.

As at December 31, 2021, our Order Book was ₹1,399.03 million (including advance purchase orders), of which 42.32% comprises system and plant orders and 57.68% comprises after-sales revenue (including consumables and spares orders and O&M services orders); and as at April 30, 2022, our Order Book was ₹1,723.51 million (including advance purchase orders), of which 46.24% comprises system and plant orders and 53.76% comprises after-sales revenue (including consumables and spares orders and O&M services orders). Our "Order Book" comprises anticipated revenue from the unexecuted portions of existing contracts and purchase orders (including signed contracts for which all pre-conditions to entry into force have been

met and letters of acceptance issued by the customer prior to execution of the final contract. For more information, see "*Our Business – Our Order Book*" on page 166.

Principal Factors Affecting our Results of Operations

Our financial performance and results of operations are influenced by a number of important factors, some of which are beyond our control, including without limitation, intense global and domestic competition, general economic conditions, changes in conditions in the regional markets in which we operate, changes in costs of supplies, COVID-19-related effects on global and domestic economic conditions, and evolving government regulations and policies. Some of the more important factors are discussed below, as well as in the section titled "*Risk Factors*" on page 34.

Costs of raw materials and other inputs

Our principal raw materials and products purchased to integrate with our systems include membranes, pumps, electrical instrumentation, board panels, cabinets, tubes, pipes, steel, and certain cleaners and chemicals. Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, makes up a large portion of our operating expenses. For the nine month period ended December 31, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, our Cost of Goods Sold amounted to ₹925.08 million, ₹1,699.37 million, ₹1,765.61 million and ₹1,273.15 million, respectively, or 41.74%, 48.17%, 45.85% and 42.43% of our total income, respectively. Our financial condition and results of operations are significantly impacted by the availability and cost of our major raw materials and components, particularly steel and steel-related products (pumps) and petroleum-related products (plastics).

We have strong supply chain relationships both in India and internationally. Outside of India, we source raw materials from vendors in the U.A.E., United States, Germany and South Korea. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our raw materials purchased overseas as a percentage of total raw materials purchases represented 45.76%, 41.10%, 37.61% and 42.94%, respectively.

We usually do not enter into long-term supply contracts with any of our raw material suppliers and typically source raw materials from third-party suppliers under purchase orders of shorter periods or the open market. Our suppliers are selected based on quality, price, cost effectiveness, company history, service levels and delivery capability. Prices are negotiated for each purchase order, and we generally have more than one supplier for each raw material. While we are not significantly dependent on any single raw material supplier, raw materials supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates, and there are inherent uncertainties in estimating such variables, regardless of the methodologies and assumptions that we may use. We are also dependent on supplied raw materials being of high quality and meeting relevant technical specifications and quality standards. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw materials in the future, as and when we need them on commercially acceptable terms.

The volatility in commodity prices can significantly affect our raw material costs. However, our Company continuously tracks the changes in raw material prices and adopts stricter measures to address such fluctuations. For our manufacturing operations, we retain around 250 days for Fiscal 2021 of inventory of raw materials and work-in-progress, thereby creating a natural risk hedge. However, if we are not able to compensate for or pass on our increased costs to customers, such price increases could have a material adverse impact on our result of operations, financial condition and cash flows. We are also dependent on supplied raw materials being of high quality and meeting relevant technical specifications and quality standards. Our products are tested by our in-house testing team and thereafter, by external testing agencies pursuant to which, we strive to minimise the probability of defects in such products; however, in the event delivered materials are defective on account of any unforeseen circumstances such as including any accident during transit or adverse weather conditions, we might face warranty and damages claims from our customers. Production errors may lead to product recalls which could also lead to compensation claims and significantly damage our reputation and the confidence of present and potential customers and could have an adverse effect on our results of operations. See, "*Risk Factors – Any shortfall in the supply of our components and raw materials or an increase in our component or raw material costs, or other input costs, may adversely affect the pricing and supply of our products and have an adverse effect on our business, results of operations and financial condition*." on page 30.

Working capital requirements and access to capital resources

Our business requires significant amounts of working capital, primarily for financing our raw materials and components purchases and manufacturing our products before we receive payments from our customers. Further, our working capital requirements also tend to increase if contractual or sales terms do not include advance payments or if under such contractual arrangements, payment is stipulated at the time of delivery of the final product to our customer. Moreover, our working capital requirements will increase in the event we undertake a larger number of orders as we grow our business. In order to manage our working capital effectively, we are working on aligning vendor payment terms with receivables in some cases.

In terms of the inventory maintained by us, we strive to have sufficient inventory on hand at all times so that we are able to quickly meet the demands of our customers and to act as a natural hedge against any sudden increases in pricing of our principal raw materials and components. To this end, we strategically manage our inventories, purchasing raw materials based on our estimated future production requirements, taking into account our views on potential supply shortages, and maintaining finished goods based on our estimates of future customer demand. In recent years, we have increasingly focused on rationalising our inventory management, to meet our future requirements while not carrying undue levels of inventory.

As part of our growth strategy, we expect to grow our business in new sectors and geographies, which could increase our working capital requirements and, accordingly, negatively affect our working capital ratios. Currently, we fund our working capital requirements from our internal accruals as well as through raising working capital loans.

Capital expenditure

We require substantial capital to maintain and expand our existing facilities, acquire new sites, construct new facilities and update and diversify our product offerings. As of December 31, 2021, we have two manufacturing facilities, one located at Vasai in Maharashtra, India, and the other at Sharjah in the UAE. During the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019, we incurred cash outflow (towards purchase of property, plant and equipment plus and intangible assets) on a restated consolidated basis of ₹278.21 million, ₹216.35 million, ₹149.07 million and ₹153.08 million, respectively. A significant amount of our capital expenditure was aimed at increasing our manufacturing capacities and diversifying our product base.

In order to meet expected growth in demand for our systems and plants, we are expanding our capacity for membrane and membrane module manufacturing by building a new manufacturing facility near our existing facility in Sharjah. Construction of the new facility is expected to begin once the net proceeds of the Issue are available and we expect that the facility will be commissioned within 12 months thereafter. The estimated cost for constructing this new manufacturing facility is ₹180.00 million.

Our Company's competitive position and financial performance will continue to depend on our ability to adapt to and incorporate technological advancements and develop new and innovative products relevant to our customer base. We may consider opportunities for inorganic expansion through acquisitions, including where we can add technological competencies or expanding our product portfolio. Any significant acquisitions may require substantial capital. To the extent our available resources are not sufficient to cover acquisition costs, we will be required to seek additional debt or equity financing.

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

Reliance on top customers

We have a diversified customer base across industry sectors and geographies. In the nine month period ended December 31, 2021 and in Fiscal 2021, we had 356 domestic customers and 27 international customers. We provide our wastewater treatment products and services to customers in industries, such as pharmaceuticals, chemicals, food and beverage, defence, offshore oil & gas platforms, automotive and auto ancillaries, steel and textiles industries, amongst others. Nevertheless, our top ten and top twenty customers represent a significant portion of our revenue. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top ten customers accounted for 38.60%, 33.27%, 41.99% and 37.93% of our revenue from operations, respectively; our top 20 customers accounted for 53.66%, 47.00%, 58.30% and 55.23% of our revenue from operations, respectively.

The following table sets out a breakdown of revenue from our top ten and top 20 customers in the nine month period ended December 31, 2021, and in Fiscal 2019, Fiscal 2020 and Fiscal 2021.

Particulars	**Nine month period ended December 31, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Amount	**Percentage of total revenue from operations**	**Amount**	**Percentage of total revenue from operations**	**Amount**	**Percentage of total revenue from operations**	**Amount**	**Percentage of total revenue from operations**
	(*₹ million*)	***(%)***	**(*₹ million*)**	***(%)***	**(*₹ million*)**	***(%)***	**(*₹ million*)**	***(%)***
Revenue from top 10 customers	846.71	38.60	1,156.31	33.27	1,609.06	41.99	1,128.84	37.93%

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total revenue from operations	Amount	Percentage of total revenue from operations	Amount	Percentage of total revenue from operations	Amount	Percentage of total revenue from operations
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Revenue from top 20 customers	1,177.19	53.66	1,633.64	47.00	2,233.98	58.30	1,643.70	55.23%
Total revenue from operations	2,193.75	100.00	3,476.02	100.00	3,832.13	100.00	2,976.75	100.00

We have long-term relationships and ongoing active engagements with many of our customers. However, if we are unable to expand our sales volumes to existing customers, maintain our relationships with key customers or diversify our customer base, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, including as a result of any decrease in orders from any of these key customers and/or failure to retain such customers on terms that are commercially viable, as a result of which our business, results of operations and financial condition could be materially and adversely affected. In addition, any defaults or delays in payments by a major customer or a significant portion of our customers may have an adverse effect on business, financial condition and results of operations.

Industry competition

The markets wherein we operate are competitive, rapidly evolving and are characterized by continual introductions of new and improved solutions and technologies. We face competition from numerous competitors, both domestical and international, within the markets we serve. Our competitors may have significant competitive advantages, including greater access to financial, research and development, marketing, distribution and other resources, larger product offerings and greater specialization than us. Additionally, some of our competitors may be able to dedicate significantly larger resources towards developing and manufacturing technologically superior equipment than us and their brands may gain greater visibility within those product verticals, which could render our products uncompetitive or obsolete. Our competitors may further enter into business combinations or alliances that strengthen their competitive positions or prevent us from taking advantage by entering into such business combinations or alliances. To remain competitive, we must continue to invest significant resources in modernisation, research and development, manufacturing, sales and marketing and customer support. Increasing competition may result in pricing pressures or decreasing profit margins or lost market share or failure to improve our market position, any of which could substantially harm our business and results of operations. Any of these factors, in turn, could result in reductions in our sales prices and gross margin. If our competitors gain significant market share at our expense, our business, results of operations and financial condition could be adversely affected. Changes in the nature or extent of our customer requirements may render our service and product offerings obsolete or non-competitive, which could have a material adverse effect on our business, results of operations and financial condition. For further information, see the sections "*Our Business – Competition*" on page 172, "*Risk Factors – We operate in a competitive environment and may not be able to effectively compete, which could have a material adverse effect on our business, results of operations and financial condition.*" on page 33, and "*Industry Overview – Competition Analysis of Indian Industrial Wastewater Treatment Solutions Market*" on page 301.

Foreign exchange rate risk

Our financial statements are prepared in Indian Rupees. However, our sales from exports and a portion of our raw materials expenditures are denominated in foreign currencies, mostly the U.S. Dollar. Accordingly, we have currency exposures relating to buying, selling and financing in currencies other than in Indian Rupees, particularly the U.S. Dollar. For the nine month period December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, 20.56%, 25.52%, 34.62%, and 14.59%, respectively, of revenue from operations was attributed to sales outside India. Imports of our raw materials accounted for 45.76%, 41.10%, 37.61%, and 42.94% of our total raw materials purchases in the nine month period ended December 31, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively. We do not enter into any hedging activities for our foreign currency positions. Accordingly, we are affected by fluctuations in exchange rates among the U.S. Dollar, Indian Rupee and other currencies. In the nine month period ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, we recorded foreign currency exchange loss (Net) of ₹5.18 million, ₹(19.04) million, ₹(5.56) million and ₹18.13 million, respectively, due to these fluctuations in foreign currency. There can be no assurance that we will continue to record exchange gains from foreign exchange fluctuations or any hedging measures we take will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar or other foreign currencies.

COVID-19

The outbreak of COVID-19 was declared a pandemic by the World Health Organization on March 11, 2020, and as of the date of this Draft Red Herring Prospectus, it is still ongoing and evolving. The GoI initiated a nation-wide lockdown from March

24, 2020, that lasted until May 31, 2020, which was extended periodically by varying degrees by state governments and local administrations. Although the nationwide lockdown was lifted on June 1, 2020, restrictions on non-essential activities and travel were imposed until August 31, 2020, in multiple states across specific districts that were witnessing increases in COVID-19 cases. The second wave of COVID-19 infections impacted India in April, May and June 2021 and resulted in a significant strain on the health infrastructure in the country resulting in several states announcing lockdown measures. The second wave also resulted in a large part of the population working from home and implementing social distancing measures. In June 2021, the reported cases of COVID-19 from the second wave declined and the GoI and state governments started gradually easing some of the strict precautionary measures. In early 2022, the reported cases of COVID-19 increased and new variants of COVID-19 like Omicron and Delta continued to emerge.

Globally, border controls, travel restrictions and quarantine measures have been imposed by various countries in an effort to contain the spread of the COVID-19 outbreak, which have resulted in a period of business disruption as well as restrictions on business activity and the movement of people comprising a significant portion of the world's population, and a decrease in economic activity in a number of countries, including India. Moreover, there is no assurance that such measures will be effective in ending or restricting the spread of COVID-19, and many countries, including countries to which we export our products have experienced further COVID-19 outbreaks even after such measures had been eased.

The COVID-19 pandemic has also resulted in economic challenges driven by labour shortages, logistics disruptions and reduced demand at times. As a result, many industries have been exposed to disruptions in carrying out business operations, resulting in loss of business and reduction in cash flows, which has created stress in different sectors of the economy. The impact of COVID-19, including as a result of the GoI measures described above implemented to reduce the spread of COVID-19, had a substantial impact on business operations, financial performance and financial position in various ways since the fourth quarter of Fiscal 2020. These material adverse effects included (but were not limited to) the following:

- We were required to shut down our manufacturing activities and operations in India during the nationwide lockdown. We were required to shut down our Indian manufacturing activities and operations in Mumbai from March 23, 2020. Our Mumbai operations resumed phased operations from April 7, 2020. Our corporate office resumed phased operations from June 8, 2020. Accordingly, our operations have been materially affected by the COVID-19 pandemic. Any future restrictions on our workforce's access to meet customer orders may have a material adverse effect on our business, results of operations and financial condition.

- With the partial and gradual easing of the lockdown, we experienced overall lower demand for our systems and plants during the first and second quarter of Fiscal 2021. We experienced improved business conditions and improved financial results in the third and fourth quarters of Fiscal 2021. Due to second wave in India, in the first quarter of Fiscal 2022, we again experienced lower demand for our systems and plants but not as pronounced as the decline in the first quarter of Fiscal 2021. As the impact of the second wave lessened, of the remainder of Fiscal 2022 was not impacted by the pandemic.

- While we have not faced challenges in obtaining raw materials, we have encountered a sharp increase in the prices of components and raw materials and shipping freight both inward and outward in the second half of Fiscal 2021 and the nine month period ended December 31, 2021.

- Due to COVID-19 lockdowns, the majority of our management and administrative employees worked from their homes remotely which introduced cybersecurity risks.

- The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in lower revenue from foreign currency payments.

Our business may be affected by a variety of external factors that may affect the price or marketability of our products and services, including disruptions in the capital markets, changes in interest rates that may increase our funding costs and reduced demand for our products due to economic conditions. The COVID-19 pandemic has significantly increased economic and demand uncertainty and has led to disruption and volatility in the global and domestic capital markets, which could increase the cost of capital and adversely impact access to capital. A period of extremely volatile and unstable market conditions would likely increase our funding costs and negatively affect market risk mitigation strategies. Furthermore, the volatility in global and domestic capital markets may cause increased volatility in currency exchange rates reducing our ability or increase the costs to mitigate these risks. Any depreciation of the Indian rupee could result in increased costs of our imports of raw materials.

As at the date of this Draft Red Herring Prospectus, all of our manufacturing facilities are back to normal operating levels and activity levels in the industrial sectors to which we cater have stabilized. However, The extent to which the COVID-19

pandemic, and the related global economic impact, affect our business, results of operations and financial condition will depend on future developments that are highly uncertain and cannot be predicted, including the spread, scope and duration of the COVID-19 pandemic and any recovery period, the effectiveness of further steps taken by the GoI and the RBI to mitigate the economic impacts in response to the pandemic, the effects on our customers, counterparties, employees and third-party service providers, and the time it takes for economic activities to return to pre-pandemic levels. As of the date of this Draft Red Herring Prospectus, there is significant uncertainty relating to the severity of long-term adverse impact of the ongoing COVID-19 pandemic on the domestic and global economy, domestic and global financial markets, and we are unable to accurately predict the long-term impact of the COVID-19 pandemic on our business. To the extent the COVID-19 pandemic does adversely affect our business, financial condition or results of operations, it may also have the effect of heightening many of the factors listed in the section "*Risk Factors*" on page 34.

Significant Accounting Policies for the Restated Consolidated Financial Information

The accounting policies as set forth in the Restated Consolidated Financial Information have been reproduced below.

1. Basis of preparation

1.1. Basis of preparation and presentation

The Restated Consolidated Financial Information of the Group and its joint ventures comprises of the Restated Consolidated Statement of Assets and Liabilities as at December 31, 2021 and March 31, 2021, 2020 and 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Statement of Cash Flows and the Restated Consolidated Statement of Changes in Equity for the nine month period ended December 31, 2021 and for the years ended March 31, 2021, 2020 and 2019 and the Summary of Significant Accounting Policies and explanatory notes (collectively, the 'Restated Consolidated Financial Information').

These Restated Consolidated Financial Information have been prepared by the Management of the Group and its joint ventures for the purpose of inclusion in the Draft Red Herring Prospectus (the "DRHP") prepared by the Company in connection with its proposed Initial Public Offer ("IPO"). The Restated Consolidated Financial Information have been prepared by the Company in terms of the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended ("the Act");

b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and

c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note") read with the general directions dated October 28, 2021 received from Securities and Exchange Board of India (SEBI) by the Company through the Book Running Lead Managers (the "SEBI Communication"), as applicable.

In accordance with the notification dated February 16, 2015, issued by Ministry of Corporate Affairs, the Company has voluntarily adopted Indian Accounting Standards notified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") with effect from April 01, 2021. Accordingly, the transition date for adoption of Ind AS is April 1, 2020 for reporting under requirements of the Act.

These Restated Consolidated Financial Information have been compiled by the Management from:

a) the audited special purpose consolidated interim Ind AS financial statements of the Group and its joint ventures as at and for the nine month period ended December 31, 2021 (along with comparative audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021) prepared in accordance with the recognition and measurement principles of Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting", prescribed under Section 133 of the Act read with relevant rules thereunder and the other accounting principles generally accepted in India (the "Special Purpose Consolidated Interim Ind AS Financial Statements"), which have been approved by the Board of Directors at their meeting held on June 21, 2022. The comparative information as at and for the year ended March 31, 2021 included in the Special Purpose Consolidated Interim Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2021, prepared in accordance with the accounting standards notified under section 133 of the Act ("Indian GAAP") (the "2021 Statutory Consolidated Indian GAAP Financial Statements"), which have been approved by the Board of Directors at their meeting held on September 15, 2021.

b) the special purpose consolidated Ind AS financial statements of the Group and its joint ventures as at and for the year ended March 31, 2020 (the "2020 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis explained in ` subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on June 21, 2022

The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments to the audited consolidated financial statements of the Group and its associate as at and for the year ended March 31, 2020, prepared in accordance with the Indian GAAP, which have been approved by the Board of directors at their meeting held on December 30, 2020 (the "2020 Statutory Consolidated Indian GAAP Financial Statements").

c) the special purpose consolidated Ind AS financial statements of the Group and its joint ventures as at and for the year ended March 31, 2019 (the "2019 Special Purpose Consolidated Ind AS Financial Statements") prepared in accordance with basis explained in subsequent paragraphs, which have been approved by the Board of Directors at their meeting held on June 21, 2022.

The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by making Ind AS adjustments as mentioned below, to the audited consolidated financial statements of the Group and its joint ventures as at and for the year ended March 31, 2019, prepared in accordance with the Indian GAAP, which have been approved by the Board of Directors at their meeting held on September 26, 2019 (the "2019 Statutory Consolidated Indian GAAP Financial Statements").

In pursuance to the SEBI Communication, for the purpose of 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures (collectively, the "Special Purpose Consolidated Ind AS Financial Statements"), the transition date is considered as April 1, 2018 which is different from the transition date adopted by the Group and its joint ventures at the time of first time transition to Ind AS (i.e. April 1, 2020) for the purpose of preparation of Statutory Consolidated Ind AS Financial Statements as required under the Act. Accordingly, the Group and its joint ventures have applied the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101, as applicable) as on April 01, 2018 for the Special Purpose Consolidated Ind AS Financial Statements, as initially adopted on transition date i.e. April 1, 2020 (Refer Note 2.1 to the Restated Consolidated Financial Information).

As such, Special Purpose Consolidated Ind AS Financial Statements are prepared considering the accounting principles stated in Ind AS, as adopted by the Group and its joint ventures and described in subsequent paragraphs and Note 3 to the Restated Consolidated Financial Information.

Special Purpose Consolidated Ind AS Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in DRHP in relation to the proposed IPO, which requires financial statements of all the periods included, to be presented under Ind AS. As such, these Special Purpose Consolidated Ind AS Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Act.

Further, since the statutory date of transition to Ind AS is April 1, 2020, and that the Special Purpose Consolidated Ind AS Financial Statements have been prepared considering a transition date of April 1, 2018, the closing balances of items included in the Special Purpose Balance Sheet as at March 31, 2020 may be different from the balances considered on the statutory date of transition to Ind AS on April 1, 2020, due to such early application of Ind AS principles with effect from April 1, 2018 as compared to the date of statutory transition. Refer Note 59.2 to the Restated Consolidated Financial Information for reconciliation of equity and total comprehensive income as per the Special Purpose Consolidated Interim Ind AS Financial Statements, Special Purpose Consolidated Ind AS Financial Statements and Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 and equity and total comprehensive income as per the Restated Consolidated Financial Information.

The audit of the 2019 Statutory Consolidated Indian GAAP Financial Statements, were conducted by the Company's previous auditors (the "Previous Auditors"). The Previous Auditors issued report dated September 26, 2019 on the 2019 Statutory Consolidated Indian GAAP Financial Statements.

Based on the discussions held with the Previous Auditors, the Previous Auditors indicated their inability to examine financial information as at and for the year ended March 31, 2019 due to non-availability of their team and complete the examination as per the timelines set by the Company. As a result, peer reviewed Independent Chartered Accountants (the "Other Principal Auditors") were engaged by the Company to audit and examine the financial information as at and for the year ended March 31, 2019 in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022.

Accordingly, Other Principal Auditorshave audited the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures, prepared by the Company in accordance with the accounting policies referred below and in Note 3 to the Restated Consolidated Financial Information.. The Other Principal Auditors have also examined the Restated Consolidated Financial Information of the Group and its joint ventures as at and for the year ended March 31, 2019 in terms of provisions of SEBI ICDR (Amendment) Regulations, 2022 dated January 14, 2022.

The accounting policies have been consistently applied by the Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the nine month period ended December 31, 2021.

Auditors' report on the Statutory Consolidated Indian GAAP Financial Statements for the years ended March 31, 2021, 2020 and 2019 included following basis for qualified opinion paragraphs:

a. The auditor's report dated September 15, 2021 on the Statutory Consolidated Indian GAAP Financial Statements as at and for the year ended March 31, 2021 includes the following basis for qualified opinion paragraphs:

   i. As at 31st March 2021, the Holding Company has investment of Rs. 447,500,000 (as at 31st March 2020 Rs. 447,500,000) in Redeemable Preference Shares of Rochem Green Energy Private Limited ("RGEPL"). Considering the adverse financial position of RGEPL, the Holding Company's management has performed an impairment evaluation of its investments in RGEPL. Based on future cash flows projections of this entity, the management believes that no adjustment is needed in the carrying value of its investment in RGEPL as at 31st March 2021. However, there is lack of adequate convincing evidence for achieving the cash flow projections of this entity. Accordingly, we are unable to comment whether any adjustments are necessary to the carrying values of investments in RGEPL and its consequential impact on the profit for the period / year ended 31st March 2021 and the reserves and surplus as at 31st March 2021.

      This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   ii. The Rochem Separations Systems (India) Private Limited (RSSPL), a subsidiary, had granted unsecured interest free loan aggregating Rs. 160,635,803 to Rochem Green Energy Private Limited, a company with common directors, in earlier years, which was not in accordance with the requirements of Section 185 of the Companies Act, 2013. The amount outstanding as at 31st March 2021 in respect of such loan is Rs. Nil. The liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the financial statements. During the financial 2018-19, RSSPL had filed for compounding of non-compliance, the compounding order for the same is awaited.

      This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

   iii. The following basis of qualified opinion was included in the audit report dated August 12, 2021, on the financial statements of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"), a subsidiary, reproduced as under:

      "Attention is drawn to Note No. 8 & 16, Trade Receivables of Rs. 8.50 crores (including Rs. 1.38 crores from overseas debtors) which are outstanding for more than 6 to 8 years, we are of the opinion that the same are doubtful of recovery. However, management is confident of recovering same and has made Provision for Doubtful Debts only to the extent of Rs. 27 lacs."

      Note 8 and Note 16 as described above are reproduced as Note 18 to the Consolidated Financial Statements for the year ended 31st March 2021.

b. The auditor's report dated December 30, 2020 on the 2020 Statutory Consolidated Indian GAAP Financial Statements also includes basis for qualified opinion paragraphs described in paragraphs (a)(i) and (a)(ii) above.

c. The auditor's report dated September 26, 2019 on the 2019 Statutory Consolidated Indian GAAP Financial Statements includes basis of qualified opinion paragraph described in (a)(i) above.

Subsequent to December 31, 2021, pursuant to a resolution of shareholders dated, May 25, 2022, each equity share of face value of INR 100 each of the Company has been split into 20 equity shares of face value of INR 5 each (the "Split"). As required under Ind AS 33 "Earnings per share" the effect of such Split is required to be adjusted retrospectively for the purpose of computing earnings per share for all the period / years presented. As a result, the effect of the Split has been considered in these Restated Consolidated Financial Information for the purpose of calculation of earnings per share (Refer Note 49 of the Restated Consolidated Financial Information).

These Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting for adoption of the audited Special Purpose Consolidated Interim Ind AS Financial Statements, Special Purpose Consolidated Ind AS Financial Statements and Statutory Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 except for those mentioned above.

The Restated Consolidated Financial Information:

a. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, 2020 and 2019, to reflect the same accounting treatment as per the accounting policy and grouping/classifications followed as at and for the nine month period ended December 31, 2021, as applicable;

b. do not require any adjustment for modification as there is no modification in the underlying audit reports on Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements referred in preceding paragraphs.

   Auditors' reports on the Statutory Consolidated Indian GAAP Financial Statements as at and for the years ended March 31, 2021, 2020 and 2019 issued by us / Previous Auditors included certain qualifications (refer preceding paragraphs) which have been re-assessed by the Company for the purpose of preparation of Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements and necessary adjustments have been made to the Special Purpose Consolidated Interim Ind AS Financial Statements, 2020 Special Purpose Consolidated Ind AS Financial Statements and 2019 Special Purpose Consolidated Ind AS Financial Statements. The Restated Consolidated Financial Information do not require any adjustment for matters giving rise to following emphasis of matter paragraphs in the underlying audit reports on Special Purpose Consolidated Ind AS Financial Statements:

   i. The auditor's report dated June 21, 2022 on the 2020 Special Purpose Consolidated Ind AS Financial Statements as at and for the year ended March 31, 2020 includes the following emphasis of matter paragraph:

      Emphasis of Matter:

      "Basis of preparation and restriction on distribution and use

      We draw attention to Note 2.1 to the 2020 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the Restated Consolidated Financial Information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2020 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2020 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

      Our opinion is not modified in respect of this matter."

   ii. The auditor's report dated June 21, 2022 on the 2019 Special Purpose Consolidated Ind AS Financial Statements includes the following Emphasis of Matter paragraph:

Emphasis of Matter:

"Basis of preparation and restriction on distribution and use

We draw attention to Note 2,1 to the 2019 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the sSpecial Purpose Restated Consolidated Financial Information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2019 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2019 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the Restated Consolidated Financial Information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter."

These Restated Consolidated Financial Information have been approved by the Board of Directors of the Company on June 21, 2022.

1.2. Principles of Consolidation:

The Restated Consolidated Financial Information relate to the Company and its subsidiary companies and joint ventures. The Restated Consolidated Financial Information have been prepared on the following basis:

a. The Restated Consolidated Financial Information of the Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, income, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

b. Profits or losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant & equipment, are eliminated in full.

c. In case of foreign subsidiaries, revenue and expense items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve (FCTR).

d. The Restated Consolidated Financial Information have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. The carrying amount of the Company's investments in each subsidiary is off set (eliminated) against the Company's portion of equity in each subsidiary.

f. The difference between the proceeds from disposal of investment in subsidiaries and the carrying amount of its assets less liabilities as on the date of disposal is recognised in the Restated Consolidated Statement of Profit and Loss being the profit or loss on loss of control of subsidiary.

g. Non-Controlling Interest's share of profit/ loss and other comprehensive income of consolidated subsidiaries for the year is identified and adjusted against the income of the group in order to arrive at the net income attributable to shareholders of the Company.

h. Non-Controlling Interest's share of net assets of consolidated subsidiaries is identified and presented Restated Consolidated Statement of Assets and Liabilities.

i. Investment in Joint Ventures has been accounted under the equity method as per Ind AS 28 - Investments in Associates and Joint Ventures.

2. Significant Accounting Policies

2.1. Current and non-current classification

The Group presents assets and liabilities in the Restated Consolidated Statements of Asset and Liabilities based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities, respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of service and the time between rendering of services and their realization in cash and cash equivalents, 12 months has been considered by the Group for the purpose of current / non-current classification of assets and liabilities.

2.2. Functional and presentation of currency

Restated Consolidated Financial Information are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Restated Consolidated Financial Information are presented in Indian rupee (INR), which is also the Group's functional currency. All amounts have been rounded-off to the nearest Millions, up to two places of decimal, unless otherwise indicated. Amounts having absolute value of less than INR 1,000,000 have been rounded and are presented as INR 0.00 Million in the Restated Consolidated Financial Information.

2.3. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal market or the most advantageous market must be accessible to the Group.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the Restated Consolidated Financial Information are categorized within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The fair value hierarchy is described as below:

Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 – Other techniques for which all inputs which have a significant effect on the recorded fair value are observable either directly or indirectly

Level 3 – Techniques which useinputs that have a significant effect on the recorded fair value that are not based on observable market data

For assets and liabilities that are recognised in the Restated Consolidated Financial Information at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of fair value hierarchy.

Fair values have been determined for measurement and / or disclosure purpose using methods as prescribed in "Ind AS 113 Fair Value Measurement".

2.4. Use of estimates, judgements and assumptions

The preparation of these Restated Consolidated Financial Informationin conformity with the recognition and measurement principles of Ind AS requires management to make judgments, estimates and assumptions in application of accounting policies that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of Restated Consolidated Financial Informationand reported amounts of income and expenses for the periods presented. The Group based its assumptions and estimates on parameters available when the Restated Consolidated Financial Informationwere prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Significant estimates and critical judgement in applying these accounting policies are described below:

2.4.1. Significant accounting judgements

(i) Leases

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. Accordingly, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

2.4.2. Estimates and assumptions

(i) Impairment of non-financial assets (property, plant and equipments, intangible assets and right of use asset)

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU's) fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset. In determining the fair value less costs to disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

(ii) Defined benefit obligations

The cost of the defined benefit gratuity plan, other defined benefit plan and other post-employment plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, expected returns on plan assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for India. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, discount rate and return on planned assets are based on expected future inflation rates for India.

(iii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Further, the Group also evaluates risk with respect to expected loss on account of loss in time value of money which is calculated using average cost of capital for relevant financial assets.

(iv) Income tax and deferred tax

Deferred tax assets are not recognised for unused tax losses as it is not probable that taxable profit will be available against which the losses can be utilised. Significant management judgement/estimate is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Further details on taxes are disclosed in note 3.15

(v) Indefinite life – intangible assets

Indefinite life intangible assets comprise of brand and trademark, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brand and the level of marketing support. For indefinite life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

(vi) Fair value of financial assets and financial liabilities

Some of the Group's financial assets and financial liabilities are measured at fair value for financial reporting purposes. The Company determines the appropriate valuation techniques and input for fair value measurements. For estimates relating to fair value measurement refer note 3.3.

2.5. Property, Plant and Equipment and Depreciation

Recognition and measurement

Under the previous GAAP, property, plant and equipment were carried at historical cost less depreciation and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transitions as the deemed cost of the property, plant & equipment under Ind AS.

Properties plant and equipment are stated at their cost of acquisition. Cost of an item of property, plant and equipment includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and the present value of the expected cost for the dismantling/decommissioning of the asset.

Parts (major components) of an item of property, plant and equipments having different useful lives are accounted as separate items of property, plant and equipments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

Capital work-in-progress comprises of cost incurred on property, plant and equipment under construction / acquisition that are not yet ready for their intended use at the Balance Sheet Date. Advances paid towards the acquisition of PPE outstanding at each reporting date is classified as Capital Advances under "Other Non-Current Assets" and assets which are not ready for intended use as on the date of Restated Consolidated Financial Information are disclosed as "Capital Work in Progress".

Depreciation and useful lives

Depreciation on the property, plant and equipment (other than capital work in progress) is provided on a written down value method (WDV) over their useful lives which is in consonance of useful life mentioned in Schedule II to the Companies Act, 2013 or useful lives as determined based on internal technical evaluation. The estimated useful lives are as under:

Type of asset	Useful lives estimated by the management (years)
Building	30
Plant and machinery	3-20
Furniture and fixture	2-20
Vehicles	5-10
Office equipment	2 – 10
Computer – End user devices	3 – 5
Computer – Server	5 – 6

Depreciation methods, useful lives and residual values, determined based on internal technical evaluation are reviewed at each financial year end and adjusted prospectively.

De-recognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Restated Statement Of Profit and lossLoss when the asset is de-recognised.

2.6. Intangible assets and amortisation

Recognition and measurement

Under the previous GAAP, intangible assets were carried at historical cost less amortization and impairment losses, if any. On transition to Ind AS, the Group has availed the optional exemption under Ind AS 101 and accordingly it has used the carrying value as at the date of transition as the deemed cost of the intangible assets under Ind AS.

Intangible assets are recognized only if it is probable that the future economic benefits attributable to asset will flow to the Group and the cost of asset can be measured reliably. Intangible assets are stated at cost of acquisition/development less accumulated amortization and accumulated impairment loss if any.

Cost of an intangible asset includes purchase price including non - refundable taxes and duties, borrowing cost directly attributable to the qualifying asset and any directly attributable expenditure on making the asset ready for its intended use.

Intangible assets under development comprises of cost incurred on intangible assets under development that are not yet ready for their intended use as at the Balance Sheet date.

Amortization and useful lives

Intangible assets with finite lives comprise of technology and trade mark and software,are amortized over the period of 10 years or useful life whichever is less on straight-line basis. Amortisation methods and useful lives are reviewed at each financial year end and adjusted prospectively. Intangible assets with indefinite lives comprise of brands and trademarks for which there is no foreseeable limit to the period over which they are expected to generate cash inflows.

These are considered to have an indefinite life given the strength and durability of the brand and the level of marketing support. For intangible assets with indefinite lives the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis the revised estimates.

In case of assets purchased / sold during the year, amortization on such assets is calculated on pro-rata basis from the date of such addition.

2.7. Leases

The determination of whether a contract is (or contains) a lease is based on the substance of the contract at the inception of the lease. The contract is, or contains, a lease if the contract provide lessee, the right to control the use of an identified asset for a period of time in exchange for consideration. A lessee does not have the right to use an identified asset if, at inception of the contract, a lessor has a substantive right to substitute the asset throughout the period of use.

The Group accounts for the lease arrangement as follows:

(i) Where the Group is the lessee

Right of Use Asset

The Group applies single recognition and measurement approach for all leases, except for short term leases and leases of low value assets. On the commencement of the lease, the Group, in its Restated Consolidated Statement of Assets and Liabilities, recognised the right of use asset at cost and lease liability at present value of the lease payments to be made over the lease term.

Subsequently, the right of use asset is measured at cost less accumulated depreciation [calculated on straight line method] and any accumulated impairment loss. Right-of-use assets are depreciated on a straight-line basis over the lease term as follows:

Asset category	Lease Term
Lease hold land	58 to 78 years
Plant and Machinery	More than 1 year – 7 years
Office Premises	More than 1 year – 7 years

The right-of-use assets are also subject to impairment. Refer to the accounting policies in note 3.8 on impairment of non-financial assets.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The lease payment made, are apportioned between the finance charge and the reduction of lease liability, and are recognised as expense in the Statement of Profit and Loss.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be

low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Lease deposits given are a financial asset and are measured at amortised cost under Ind AS 109 since it satisfies Solely Payment of Principal and Interest (SPPI) condition. The difference between the present value and the nominal value of deposit is considered as Right of Use Asset and depreciated over the lease term. Unwinding of discount is treated as finance income and recognised in the Statement of Profit and Loss.

(ii) Where the entity is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease

Lease deposits received are financial instruments (financial liability) and are measured at fair value on initial recognition. The difference between the fair value and the nominal value of deposits is considered as rent in advance and recognised over the lease term on a straight line basis. Unwinding of discount is treated as interest expense (finance cost) for deposits received and is accrued as per the EIR method.

Sale and lease back

If an entity (the seller-lessee) transfers an asset to another entity (the buyer-lessor) and leases that asset back from the buyer-lessor, both the seller-lessee and the buyer-lessor are required to account for the transfer contract and the lease by applying Ind AS 116 Para 99 to 103.

(i) Transfer of the asset is not a sale

If the transfer of an asset by the seller-lessee does not satisfy the requirements of Ind AS 115 and wherein if the seller-lessee has a substantive repurchase option with respect to the underlying asset, the Group (seller-lessee)

- De-recognises the sale (revenue) in books with corresponding impact on the cost of goods sold (COGS) to eliminate the profit margin in the transaction.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

(ii) Transfer of the asset is a sale

If the transfer of an asset by the seller-lessee does satisfy the requirements of Ind AS 115 and wherein if the seller-lessee do not have a substantive repurchase option with respect to the underlying asset., the Group (seller-lessee)

- De-recognises the profit margin in the transaction by reducing the sale (revenue) to that effect in books.
- Recognises transferred asset (Right of use asset) net of profit margin and a financial liability equal to the present value of minimum lease payments applying relevant paragraph of Ind AS 109 and Ind AS 116.

2.8. Impairment of non-financial assets

The carrying amounts of assets are reviewed at each balance sheet date for any indication of impairment based on internal / external factors. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of a) fair value of assets less cost of disposal and b) its value in use. Value in use is the present value of future cash flows expected to derive from an assets or Cash-Generating Unit (CGU).

Based on the assessment done at each balance sheet date, recognised impairment loss is further provided or reversed depending on changes in circumstances. After recognition of impairment loss or reversal of impairment loss as

applicable, the depreciation charge for the asset is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life. If the conditions leading to recognition of impairment losses no longer exist or have decreased, impairment losses recognised are reversed to the extent it does not exceed the carrying amount that would have been determined after considering depreciation / amortisation had no impairment loss been recognised in earlier years.

2.9. Inventories

Inventories include raw materials and components, work in progress, traded and manufactured finished goods.

Cost of inventories have been computed to include all cost of purchases, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Raw materials, components is ascertained based on weighted average method. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Costs are determined on weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Net realizable value for work in progress is determined with reference to the selling price of related finished goods. Trade goods are considered at landed cost.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Provision is made for the cost of obsolescence and other anticipated losses, whenever considered necessary.

2.10. Revenue recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. The policy of recognizing the revenue is determined by the five stage model proposed by Ind AS 115 "Revenue from contract with customers".

(a) Revenue from operations:

- Revenue from sale of goods is recognised at the point in time when control of the assets is transferred to the customer, generally on delivery of the goods.
- Revenue from sale of services is recognized on rendering of services to the customers based on contractual arrangements. Revenue is recorded exclusive of goods and service tax. Contract prices are either fixed or subject to price escalation clauses.
- Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services
- Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts and incentives, if any, as specified in the contract with the customer.
- Revenue also excludes taxes collected from customers.
- Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

(b) Interest income

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in other income in the statement of profit and loss.

(c) Dividends

Dividend income is recognised when the Group's right to receive the payment is established.

(d) Other income

Other incomes are accounted on accrual basis, except interest on delayed payment by debtors and liquidated damages which are accounted on acceptance of the Group's claim.

2.11. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and is allocated to statement of profit and loss on a systematic basis over the useful life of the asset.

2.12. Foreign currency transaction

Transactions in foreign currencies are initially recorded by the Group in its functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange difference that arise on settlement of monetary items or on reporting at each balance sheet date of the Group's monetary items at the closing rate are recognized as income or expenses in the period in which they arise. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in OCI or the statement of profit and loss are also recognised in OCI or the statement of profit and loss, respectively)

2.13. Employee benefits

- Short term employee benefits

  All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss in the period in which the employee renders the related service.

- Post-employment benefits & other long term benefits

  a. Defined contribution plan

     The defined contribution plan is a post-employment benefit plan under which the Group contributes fixed contribution to a Government Administered Fund and will have no obligation to pay further contribution. The Group's defined contribution plan comprises of Provident Fund, Labour Welfare Fund, Employee State Insurance Scheme, National Pension Scheme, and Employee Pension Scheme. The Group's contribution to defined contribution plans are recognized in the Statement of Profit and Loss in the period in which the employee renders the related service.

  b. Post-employment benefit and other long term benefits

     The Group has defined benefit plans comprising of gratuity and other long term benefits in the form of leave benefits. Group's obligation towards gratuity liability is funded / unfunded. The present value of the defined benefit obligations and other long term employee benefits is determined based on actuarial valuation using the projected unit credit method. The rate used to discount defined benefit obligation is determined by reference to market yields at the Balance Sheet date on Indian Government Bonds for the estimated term of obligations.

     For gratuity plan, re-measurements comprising of (a) actuarial gains and losses, (b) the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and (c) the return on plan assets (excluding amounts included in net interest on the post-employment benefits

liability) are recognised immediately in the balance sheet with a corresponding debit or credit to the other comprehensive income in the period in which they occur. Re-measurements are not reclassified to statement of profit and loss in subsequent periods.

Gains or losses on the curtailment or settlement of defined benefit plan are recognised when the curtailment or settlement occurs.

Actuarial gains or losses arising on account of experience adjustment and the effect of changes in actuarial assumptions for employee benefit plan [other than gratuity] are recognized immediately in the Statement of Profit and Loss as income or expense.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

2.14. Borrowing cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the respective asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Ancillary cost of borrowings in respect of loans not disbursed are carried forward and accounted as borrowing cost in the year of disbursement of loan. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of finance costs calculated as per effective interest method, exchange difference arising from foreign currency borrowings to the extent they are treated as an adjustment to the borrowing cost and other costs that an entity incurs in connection with the borrowing of funds.

2.15. Taxes on income

Tax expense for the year comprises of current tax, deferred tax charge or credit and adjustments of taxes for earlier years. In respect of amounts adjusted outside profit or loss (i.e. in other comprehensive income or equity), the corresponding tax effect, if any, is also adjusted outside profit or loss.

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year and any adjustments to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act,1961 that have been enacted or subsequently enacted at the end of the reporting period.

Current tax assets and current tax liabilities are offset when there is legally enforceable right to set off the recognised amounts and there is an intention to settle the asset and the liability on a net basis or simultaneously.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences, and deferred tax assets are recognised for all deductible temporary differences, carry forward tax losses and allowances to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, carry forward tax losses and allowances can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which such deferred tax assets can be utilized. In situations where the Group has unused tax losses and unused tax credits, deferred tax assets are recognised only if it is probable that they can be utilized against future taxable profits. Deferred tax assets are reviewed for the appropriateness of their respective carrying amounts at each Balance Sheet date.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises previously unrecognised deferred tax assets to the extent that it has become probable that future taxable profit allows deferred tax assets to be recovered.

2.16. Cash & cash equivalent

Cash and cash equivalents include cash in hand, bank balances, deposits with banks (other than on lien) and all short term and highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

2.17. Statement of cash flows

Cash flows are reported using the indirect method, where by net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

2.18. Provisions, contingent liabilities, contingent assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

2.19. Earnings per share

Basic earnings per share is computed using the net profit for the period / year attributable to the shareholders' and weighted average number of shares outstanding during the year. The weighted average numbers of shares also includes fixed number of equity shares that are issuable on conversion of compulsorily convertible preference shares, debentures or any other instrument, from the date consideration is receivable (generally the date of their issue) of such instruments.

Diluted earnings per share is computed using the net profit for the period / year attributable to the shareholder' and weighted average number of equity and potential equity shares outstanding during the year including share options, convertible preference shares and debentures, except where the result would be anti-dilutive. Potential equity shares that are converted during the year are included in the calculation of diluted earnings per share, from the beginning of the year or date of issuance of such potential equity shares, to the date of conversion.

2.20. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

2.21. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.21.1. Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or

- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- It is a derivative that is not designated and effective as a hedging instrument or a financial guarantee. Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model based on 'simplified approach' for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no

significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the twelve month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

De-recognition of financial asset

The Group de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

2.21.2. Financial liability and equity instrument

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or

- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Finance Cost' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and

- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

Financial instruments classified as financial liability (carried at amortised cost)

The liability component of a compound financial instrument is recognised initially at fair value of a similar liability that does not have an equity component. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and the equity components, if material, in proportion to their initial carrying amounts.

Subsequent to the initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest rate method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability de-recognised and the consideration paid and payable is recognised in statement of profit or loss.

3.22. Recent accounting and other pronouncements

As on the date of this Draft Red Herring Prospectus, there are no recent accounting pronouncements, which, we believe, would have a material effect on our financial condition or results of operations.

Changes in the accounting policies, if any, in the Nine month period ended December 31, 2021, and Fiscals 2021, 2020 and 2019 and their effect on our profits and reserves

There have been no changes in our accounting policies in the last three Fiscals and in the nine month period ended December 31, 2021.

Key Performance Indicators and Non-GAAP Financial Measures

In addition to our financial results determined in accordance with Ind AS, we consider and use those certain non-GAAP financial measures and key performance indicators that are presented below as supplemental measures to review and assess our operating performance. Our management does not consider these non-GAAP financial measures and key performance indicators in isolation or as an alternative or substitutive to the Restated Consolidated Financial Information. We present these non-GAAP financial measures and key performance indicators because we believe they are useful to our Company in assessing and evaluating our operating performance, and for internal planning and forecasting purposes. We believe these non-GAAP financial measures could help investors as an additional tool to evaluate our ongoing operating results and trends with a more granular view of our financial performance.

Non-GAAP financial information are not recognized under Ind AS and do not have standardized meanings prescribed by Ind AS. In addition, non-GAAP financial measures and key performance indicators used by us may differ from similarly titled non-GAAP measures used by other companies. The principal limitation of these non-GAAP financial measures is that they exclude

significant expenses and income that are required by Ind AS to be recorded in our financial statements, as further detailed below. In addition, they are subject to inherent limitations as they reflect the exercise of judgment by management about which expenses and income are excluded or included in determining these non-GAAP financial measures. A reconciliation is provided below for each non-GAAP financial measure to the most directly comparable financial measure prepared in accordance with Ind AS. Investors are encouraged to review the related Ind AS financial measures and the reconciliation of non-GAAP financial measures to their most directly comparable Ind AS financial measures included below and to not rely on any single financial measure to evaluate our business. Other companies may calculate non-GAAP metrics differently from the way we calculate these metrics. See "*Risk Factors –Significant differences exist between Ind-AS and other accounting principles such as U.S. GAAP and IFRS which may be material to the restated financial statements prepared and presented in accordance with Ind AS contained in this Draft Red Herring Prospectus*" on page 56.

Based on the Restated Consolidated Financial Information

(₹ in millions, except for ratios and percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
EBITDA[(1)]	335.06	620.73	735.21	705.50
EBITDA Margin[(2)]	15.27%	17.86%	19.19%	23.70%
Fixed Asset Turnover Ratio[(3)]	3.42*	5.01	7.14	6.47
Total Borrowings[(4)#]	1,191.24	3,669.21	3,622.76	3,126.22
Net Debt[(5)#]	1,011.72	3,466.19	3,497.95	2,932.02
Debt-Equity Ratio[(6)#]	0.47	(34.29)	(17.95)	(8.93)
Net Debt / EBITDA Ratio[(7)#]	3.02*	5.58	4.76	4.16
Return on Equity[(8)]	2.49%	(128.29%)	(28.47%)	(35.07%)
PAT Margin[(9)#]	1.38%	5.70%	2.05%	5.33%
Capital Employed[(10)#]	3,405.41	3,473.45	3,366.54	2,721.62
Return on Capital Employed[(11)#]	4.75%	12.23%	15.93%	18.78%
Net Worth[(12)#]	2,520.55	(124.35)	(219.22)	(367.59)
Return on Net Worth[(13)#]	1.20%*	(159.32)%	(35.85%)	(43.12)%
Net Asset Value[(14)#]	2,537.90	(107.00)	(201.87)	(350.24)

Notes:

* *not annualized*

(1) EBITDA is calculated as the sum of (i) profit for the period/year, (ii) tax expense, (iii) finance costs, and (iv) depreciation and amortization expenses, less other income.

(2) EBITDA Margin is calculated as EBITDA divided by revenue from operations.

(3) Fixed Asset Turnover Ratio is calculated as revenue from operations divided by property, plant and equipment as at the end of the period/year.

(4) Total Borrowings is calculated as the sum of non-current borrowings and current borrowings.

(5) Net Debt is calculated as Total Borrowings less cash and cash equivalents and bank balances (other than cash and cash equivalents) as at the end of the relevant period/year.

(6) Debt-Equity Ratio is calculated as Total Borrowings divided by total equity.

(7) Net Debt / EBITDA Ratio is calculated as Net Debt divided by EBITDA.

(8) Return on Equity is calculated as restated profit for the period/year divided by average shareholder's equity.

(9) PAT Margin is calculated as restated profit for the period/year divided by revenue from operations.

(10) Capital Employed is calculated as Tangible Net Worth (includes total asset and total liabilities excludes intangible assets (except ROU) + Total Debt - Deferred Tax asset.

(11) Return on Capital Employed is calculated as Earning before interest and taxes divided by Capital Employed.

(12) Net Worth is calculated as the sum of equity share capital and other equity, less capital reserve on consolidation.

(13) Return on Net Worth is calculated as restated profit for the period / year divided by Net Worth.

(14) Net Asset Value is calculated as total assets minus total liabilities

Net Worth, Total Borrowings, Net Debt, Debt-Equity Ratio, Net-Debt/EBITDA Ratio, PAT Margin, Capital Employed, Return on Capital Employed, Net Worth, Return on Net Worth, Net Asset Value are impacted as the present value of the redemption amount of equity instruments has been classified as financial liability pursuant to a buyback obligation provided under the Shareholders Agreement. As of 1st April 2021, this buyback obligation has been cancelled following an amendment to the Shareholders Agreement. Please refer to the "Summary of Proforma Key Performance Indicators and Non-GAAP Financial Measures" on page 326 for more information on adjustments made to the foregoing non-GAAP financial measures.

EBITDA and EBITDA Margin

The following table sets forth our EBITDA and EBITDA Margin, including a reconciliation of each such financial measure to the Restated Consolidated Financial Information for the nine month period ended December 31, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019.

(₹ in millions, except for percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Revenue from operations (A)	2,193.75	3,476.02	3,832.13	2,976.75
Restated profit for the period/year (B)	30.26	198.12	78.60	158.52
Add: Finance costs (C)	142.80	192.42	411.50	284.49
Add: Tax expense (D)	(11.44)	34.17	46.12	68.00
Add: Depreciation and amortisation expenses (E)	196.14	248.03	217.30	218.66
Less: Other income (F)	22.70	52.01	18.31	24.18
EBITDA (G=B+C+D+E-F)	**335.06**	**620.73**	**735.21**	**705.50**
EBITDA Margin (H=G/A)	**15.27%**	**17.86%**	**19.19%**	**23.70%**

Total Borrowings

The following table sets forth our Total Borrowings, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Total Borrowings is calculated as the sum of (i) non-current borrowings, and (ii) current borrowings (including current maturities of non-current borrowings).

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Non-current borrowings (1)	404.59	315.10	50.72	2,349.39
Current borrowings (including current maturities of non-current borrowings) (2)	786.65	3,354.11	3,572.04	776.83
Total Borrowings (A=(1)+(2))	**1,191.24**	**3,669.21**	**3,622.76**	**3,126.22**

Net Debt

The following table sets forth our Net Debt, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Net Debt is calculated as Total Borrowings less cash and cash equivalents and bank balances (other than cash and cash equivalents) as at the end of the relevant period/year.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Total Borrowings (A)	1,191.24	3,669.21	3,622.76	3,126.22
Cash and cash equivalents (1)	84.20	104.26	31.51	15.32
Bank balances other than above (2)	95.32	98.76	93.30	178.88
Net Debt (B=A-(1+2))	**1,011.72**	**3,466.19**	**3,497.95**	**2,932.02**

Debt-Equity Ratio

The following table sets forth our Debt-Equity Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Debt-Equity Ratio is calculated as Total Borrowings divided by total equity.

(₹ in millions, except for ratios)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Total Borrowings (A)	1,191.24	3,669.21	3,622.76	3,126.22
Total equity (B)	2,537.90	(107.00)	(201.87)	(350.24)
Debt-Equity Ratio (C=A/B)	**0.47**	**(34.29)**	**(17.95)**	**(8.93)**

Net Debt/EBITDA Ratio

The following table sets forth our Net Debt/EBITDA Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Net Debt/EBITDA Ratio is calculated as Net Debt divided by EBITDA.

(₹ in millions, except for ratios)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Net Debt (A)	1,011.72	3,466.19	3,497.95	2,932.02
EBITDA (B)	335.06	620.73	735.21	705.50
Net Debt / EBITDA Ratio (C=A/B)	**3.02***	**5.58**	**4.76**	**4.16**

* *not annualized*

Return on Equity

The following table sets forth our Return on Equity, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Return on Equity is calculated as restated profit for the period/year divided by total equity.

(₹ in millions, except for percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Restated profit for the period/year (A)	30.26	198.12	78.60	158.52
Average equity (B)	1,215.45	(154.43)	(276.05)	(451.98)
Return on Equity (C=A/B)	2.49%	(128.29%)	(28.47%)	(35.07%)

* *not annualized*

PAT Margin

The following table sets forth our PAT Margin, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2019, Fiscal 2020 and Fiscal 2021. PAT Margin is calculated as restated profit for the period/year divided by revenue from operations.

(₹ in millions, except for percentages)

Particulars	For the nine month period ended, December 31, 2021	For the fiscal year ended March 31,		
		2021	2020	2019
Restated profit for the period/year (A)	30.26	198.12	78.60	158.52
Revenue from operations (B)	2,193.75	3,476.02	3,832.13	2,976.75
PAT Margin (C=A/B)	**1.38%**	**5.70%**	**2.05%**	**5.33%**

Capital Employed

The following table sets forth our Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Capital Employed is calculated as tangible Net Worth plus debt minus deferred tax liabilities.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Total Assets (1)	5,164.69	5,179.71	5,206.79	4,132.07
Total Liabilities (2)	(2,626.79)	(5,286.71)	(5,408.66)	(4,482.31)
Less: Intangible Asset (3)	(257.39)	(40.19)	(11.13)	(17.20)
Tangible Net Worth (A=1+2+3)	2,280.51	(147.19)	(213.00)	(367.43)
Total Debt (B)	1,191.24	3,669.21	3,622.76	3,126.22
Deferred Tax Liabilites (Asset) (C)	(66.34)	(48.57)	(43.22)	(37.17)
Capital Employed D = (A+B+C)	**3,405.41**	**3,473.45**	**3,366.54**	**2,721.62**

Return on Capital Employed

The following table sets forth our Return on Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Return on Capital Employed is calculated as Earning before interest and taxes divided by Capital Employed.

(₹ in millions, except for ratios)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Profit before tax (A)	18.82	232.29	124.72	226.52
Finance cost (B)	142.80	192.42	411.50	284.49
EBIT (C=A+B)	161.62	424.71	536.22	511.01
Capital Employed (D)	3,405.41	3,473.45	3,366.54	2,721.62
Return on Capital Employed (E=C/D)	**4.75%***	**12.23%**	**15.93%**	**18.78%**

* *not annualised*

Fixed Asset Turnover Ratio

The following table sets forth our Fixed Asset Turnover Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Fixed Asset Turnover Ratio is calculated as revenue from operations divided by property, plant and equipment as at the end of the period/year.

(₹ in millions, except for ratios)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Property Plant and Equipment (A)	641.61	693.74	536.73	459.90
Revenue from operations (B)	2,193.75	3,476.02	3,832.13	2,976.75
Fixed Asset Turnover Ratio (C=B/A)	**3.42***	**5.01**	**7.14**	**6.47**

* *not annualized*

Net Worth

The following table sets forth our Net Worth, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020, and March 31, 2019. Net Worth is calculated as the sum of equity share capital and other equity less capital reserve.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Equity share capital (A)	4.26	3.08	3.08	3.08
Other equity (B)	2,533.64	(110.08)	(204.95)	(353.32)
Less: capital reserve (C)	17.35	17.35	17.35	17.35
Net Worth (D=A+B-C)	**2,520.55**	**(124.35)**	**(219.22)**	**(367.59)**

Return on Net Worth

The following table sets forth our Return on Net Worth, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Return on Net Worth is calculated as restated profit for the period/year divided by Net Worth as at the end of the period/year.

(₹ in millions, except for percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Restated profit for the period/year (A)	30.26	198.12	78.60	158.52
Net Worth (B)	2,520.55	(124.35)	(219.22)	(367.59)
Return on Net Worth (C=A/B)	**1.20%***	**(159.32)%**	**(35.85)%**	**(43.12)%**

* *not annualized*

Net Asset Value

The following table sets forth our Net Asset Value, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Net Asset Value is calculated as total assets minus total liabilities as at the end of the period/year.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Total assets (A)	5,164.69	5,179.71	5,206.79	4,132.07
Total liabilities (B)	2,626.79	5,286.71	5,408.66	4,482.31
Net Asset Value (C=A-B)	**2,537.90**	**(107.00)**	**(201.87)**	**(350.24)**

Summary of Proforma Key Performance Indicators and Non-GAAP Financial Measures

In addition to the key performance indicators and non-GAAP financial measures set forth above, our Company has prepared the following supplemental proforma key performance indicators and non-GAAP financial measures. As discussed in Note 20.10 to the Restated Consolidated Financial Information, till March 31, 2021, our Company had an obligation to buy back its equity shares held by AF Holdings, Mauritius (the "**Investor**") (after converting the Non-Cumulative Convertible Preference Shares (the "**CCPS**") held by the Investor to equity shares) at an agreed buy back price. Accordingly, equity share capital and CCPS held by the investor along with related securities premium and retained earnings have been classified as financial liability (borrowings) and fair valued in accordance with Ind AS 109 Financial Instruments.

Effective April 1, 2021, pursuant to the amendment in agreement among the shareholders and the Company, the clause for buy back is deleted in its entirety and hence, the equity share capital, CCPS, securities premium and retained earnings have been reclassified from financial liability (borrowings) into Equity.

Due to the changes in accounting for equity shares and CCPS held by the Investor, the key performance indicators and non-GAAP financial measures for periods beginning April 1, 2021, set forth above, are not comparable to earlier periods. Our Company has prepared following supplemental proforma key performance indicators and non-GAAP financial measures, assuming that the clause for buy back was not applicable for all periods presented and equity shares and CCPS held by the Investor, related securities premium and retained earnings were classified as Equity with effect from April 1, 2018, which we believe are useful to the Company and its investors to assess and evaluate our financial performance and condition.

(₹ in millions, except for ratios and percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Proforma Total Borrowings [(15)]	1,191.24	1,069.21	1,104.82	835.52
Proforma Total Equity[(16)]	2,537.90	2,493.00	2,316.07	1,940.46
Proforma Net Debt[(17)]	1,011.72	866.19	980.01	641.32
Proforma Debt-Equity Ratio[(18)]	0.47*	0.43	0.48	0.43
Proforma Net Debt / EBITDA Ratio[(19)]	3.02*	1.40	1.33	0.91
Proforma Return on Equity[(20)]	1.19%*	7.95%	13.20%	14.58%
Proforma Profit After Tax [(21)]	30.26	198.12	305.84	282.83
Proforma PAT Margin[(22)]	1.38%	5.70%	7.98%	9.50%
Proforma Capital Employed[(23)]	3,348.93	3,284.06	2,713.23	4,511.13
Proforma Return on Capital Employed[(24)]	4.83%*	12.93%	19.76%	11.33%

Notes:

** not annualized*

(15) Proforma Total Borrowings is calculated as Total Borrowings less financial instrument classified as financial liability.

(16) Proforma Total Equity is calculated as total equity plus reclassified from financial liability.

(17) Proforma Net Debt is calculated as Proforma Total Borrowings less cash and cash equivalents and bank balances other than cash and cash equivalents as at the end of the period/year.

(18) Proforma Debt-Equity Ratio is calculated as (i) Proforma Total Borrowings, divided by (ii) Proforma Total Equity.

(19) Proforma Net Debt / EBITDA Ratio is calculated as Proforma Net Debt divided by EBITDA.

(20) Proforma Return on Equity is calculated as (i) proforma Profit After Tax divided by (ii) Proforma Total Equity

(21) Proforma Profit After Tax is calculated as restated profit for the period/year plus interest on Financial instruments classified as financial liability (carried at amortised cost).

(22) Proforma PAT Margin is calculated as Proforma Profit After Tax divided by revenue from operations.

(23) Proforma Capital Employed is calculated as total assets less current liabilities (excluding financial instrument classified as financial liability) as at the end of the period/year.

(24) Proforma Return on Capital Employed is calculated as Proforma Earnings before interest and taxes(EBIT) divided by Proforma Capital Employed- pre cash

(25) EBIT is calculated as the sum of (i) restated profit for the period/year, (ii) tax expense, and finance costs.

Proforma Total Borrowings

The following table sets forth our Proforma Total Borrowings, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019.

Proforma Total Borrowings is calculated as the sum of (i) non-current borrowings, and (ii) current borrowings (including current maturities of non-current borrowings), less financial instrument classified as financial liability.

(₹ in millions)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Non-current borrowings (1)	404.59	315.10	50.72	2,349.39
Current borrowings (including current maturities of non-current borrowings) (2)	786.65	3,354.11	3,572.04	776.83
Total Borrowings ((A=(1)+(2))	1,191.24	3,669.21	3,622.76	3,126.22
Financial instrument classified as financial liability (3)	-	2,600.00	2,517.94	2,290.70
Proforma Total Borrowings (B=A-3)	**1,191.24**	**1,069.21**	**1,104.82**	**835.52**

Proforma Total Equity

The following table sets forth our Proforma Total Equity, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Proforma Total Equity is calculated as the sum of (i) total equity, and (ii) reclassified from financial liability.

(₹ in millions)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Total equity (1)	2,537.90	(107.00)	(201.87)	(350.24)
Reclassified from financial liability (2)	-	2,600.00	2,517.94	2,290.70
Proforma Total Equity (A=1+2)	**2,537.90**	**2,493.00**	**2,316.07**	**1,940.46**

Proforma Net Debt

The following table sets forth our Proforma Net Debt, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Proforma Net Debt is calculated as Proforma Total Borrowings less cash and cash equivalents and bank balances (other than cash and cash equivalents) as at the end of the relevant period/year.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Proforma Total Borrowings (A)	1,191.24	1,069.21	1,104.82	835.52
Cash and cash equivalents (1)	84.20	104.26	31.51	15.32
Bank balances other than above (2)	95.32	98.76	93.30	178.88
Proforma Net Debt (B=A-(1+2))	**1,011.72**	**866.19**	**980.01**	**641.32**

Proforma Debt-Equity Ratio

The following table sets forth our Proforma Debt-Equity Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Proforma Debt-Equity Ratio is calculated as (i) Proforma Total Borrowings, divided by (ii) Proforma Total Equity.

(₹ in millions, except for ratios)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Proforma Total Borrowings (A)	1,191.24	1,069.21	1,104.82	835.52
Proforma Total Equity (B)	2,537.90	2,493.00	2,316.07	1,940.46
Proforma Debt-Equity Ratio (C=A/B)	**0.47***	**0.43**	**0.48**	**0.43**

* *not annualized*

Proforma Net Debt / EBITDA Ratio

The following table sets forth our Proforma Net Debt/EBITDA Ratio, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Proforma Net Debt/EBITDA Ratio is calculated as Proforma Net Debt divided by EBITDA.

(₹ in millions, except for ratios)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Proforma Net Debt (A)	1,011.72	866.19	980.01	641.32
EBITDA (B)	335.06	620.72	735.21	705.50
Proforma Net Debt / EBITDA Ratio (C=A/B)	**3.02***	**1.40**	**1.33**	**0.91**

* *not annualized*

Proforma Return on Equity

The following table sets forth our Proforma Return on Equity, including a reconciliation of each such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Proforma Return on Equity is calculated as (i) Proforma Profit After Tax, divided by (ii) Proforma Total Equity.

(₹ in millions, except for percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Proforma Profit After Tax (A)	30.26	198.12	305.84	283.83
Proforma Total Equity (B)	2,537.90	2,493.00	2,316.07	1,940.46
Proforma Return on Equity (C=A/B)	**1.19%***	**7.95%**	**13.20%**	**14.58%**

* *not annualized*

Proforma Profit After Tax

The following table sets forth our Proforma Profit After Tax, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Proforma Profit After Tax is calculated as the sum of (i) restated profit for the period/year, and (ii) interest on Financial instruments classified as financial liability (carried at amortised cost)

(₹ in millions)

Particulars	For the nine month period ended, December 31, 2021	For the fiscal year ended March 31,		
		2021	2020	2019
Restated profit for the period/year (1)	30.26	198.12	78.60	158.52
Unwinding of present value of redemption amount in respect of financial instrument classified as financial liability (2)	-	-	227.24	124.31
Proforma Profit After Tax (A=1+2)	**30.26**	**198.12**	**305.84**	**282.83**

Proforma PAT Margin

The following table sets forth our Proforma PAT Margin, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2019, Fiscal 2020 and Fiscal 2021. Proforma PAT Margin is calculated as Proforma Profit After Tax divided by revenue from operations.

(₹ in millions, except for percentages)

Particulars	For the nine month period ended, December 31, 2021	For the fiscal year ended March 31,		
		2021	2020	2019
Revenue from operations (A)	2,193.75	3,476.02	3,832.13	2,976.75
Proforma Profit After Tax (B=A+1)	30.26	198.12	305.84	282.83
Proforma PAT Margin (C=B/A)	**1.38%**	**5.70%**	**7.98%**	**9.50%**

Proforma Capital Employed

The following table sets forth our Proforma Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019. Capital Employed is calculated as total assets less current liabilities (excluding financial instrument classified as financial liability) as at the end of the period/year.

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31,		
		2021	2020	2019
Total assets (1)	5,164.69	5,179.71	5,206.79	4,132.07
Current liabilities (2)	1,815.76	4,495.65	5,011.51	1,911.65
Add: Financial instrument classified as financial liability (3)		2,600.00	2,517.94	2,290.70
Proforma Capital Employed (A=(1)-(2)+(3))	**3,348.93**	**3,284.06**	**2,713.22**	**4,511.12**

Proforma Return on Capital Employed

The following table sets forth our Proforma Return on Capital Employed, including a reconciliation of such financial measure to the Restated Consolidated Financial Information, for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020 and Fiscal 2019. Proforma Return on Capital Employed is calculated as (i) the sum of (1) restated profit after tax for the period/year, (2) tax expense, and (3) finance costs, divided by Proforma Capital Employed.

(₹ in millions, except for percentages)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at March 31,		
		2021	2020	2019
Restated profit for the period/year (A)	30.26	198.12	78.60	158.52
Add: Finance costs (B)	142.80	192.42	411.50	284.49
Add: Total tax expense (C)	(11.44)	34.17	46.12	68.00
EBIT (D=A+B+C)	161.62	424.71	536.22	511.01
Proforma Capital Employed (E)	3,348.93	3,284.06	2,713.22	4,511.12
Proforma Return on Capital Employed (F=D/E)	**4.83%***	**12.93%**	**19.76%**	**11.33%**

* *not annualized*

Overview of Income and Expenditure

The following descriptions set forth information with respect to key components of our profit and loss statement.

Income

Income consists of revenue from operations and other income.

Revenue from operations

Revenue from operations comprises (i) revenue from sales of goods and sales of services; and (ii) other operating revenue. Sale of goods comprises the sale of systems, plants, spare parts and consumables for water and wastewater treatment and reuse. Sale of services comprises revenue from the operation and maintenance contracts and also includes lease rental income, which includes equipment provided on lease to customers on legacy contracts. Sale of goods and sale of services can be divided into (i) sales in India; and (ii) sales outside India. Other operating revenue comprises [others].

Set forth below is a breakdown of our revenue from operations for the periods/Fiscals indicated.

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operation	Amount	Percentage of revenue from operations
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Revenue from operations								
Sale of goods	1,332.47	60.74	2,441.32	70.23	2,841.70	74.15	1,995.24	67.03
Sale of Services	827.26	37.71	994.38	28.61	937.66	24.47	922.47	30.99
Lease rental income	28.17	1.28	35.22	1.01	47.77	1.25	52.58	1.77
Sub-total	2,187.90	99.73	3,470.92	99.85	3,827.13	99.87	2,970.29	99.78
Other operating revenue	5.85	0.27	5.10	0.15	5.00	0.13	6.46	0.22
Revenue from operations	2,193.75	100.00	3,476.02	100.00	3,832.13	100.00	2,976.75	100.00

For management's purposes, our Company's business is considered to constitute one reporting segment. See "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 36 – Segment information*" on page 263.

Set forth below is a breakdown of our revenue from operations for the periods/Fiscals indicated on a restated consolidated basis, broken down by business.

Product/Service	**Nine month period ended December 31, 2021**		**Fiscal 2021**		**Fiscal 2020**		**Fiscal 2019**	
	Amount	**Percentage of total***	**Amount**	**Percentage of total***	**Amount**	**Percentage of total***	**Amount**	**Percentage of total***
	(*₹ million*)	***(%)***	**(*₹ million*)**	***(%)***	**(*₹ million*)**	***(%)***	**(*₹ million*)**	***(%)***
Revenue from operations								
Systems & plants	710.67	32.40	1,645.68	47.34	2,054.90	53.62	1,290.13	43.34
Sale of modules	150.26	6.85	284.42	8.18	229.73	5.99	193.92	6.52
Sale of consumables and spare parts	715.69	32.62	704.74	20.27	622.71	16.25	619.48	20.81
O&M services	617.13	28.13	841.19	24.20	924.79	24.13	873.22	29.33
Revenue from operations	2,193.75	100.00	3,476.03	100.00	3,832.13	100.00	2,976.75	100.00

**Percentage of Total Revenue from Operations.*

Other income

Other income primarily comprises interest income, dividend income and other gains and losses.

Expenditure

Our expenses comprise the following:

a) Cost of raw materials and components consumed: Cost of raw materials and components consumed comprises (i) the cost of raw materials used in the manufacture of our products; (ii) the cost of products purchased to integrate with our systems, and (iii) the cost of packing materials. Our principal raw materials and components include membranes, pumps, electrical instrumentation, board panels, cabinets, tubes, pipes, steel and certain cleaners and chemicals, amongst others.

b) Increase/(decrease) in inventories of finished goods and work-in-progress: Changes in inventories of finished goods and work-in-progress denotes an increase/decrease in inventories of finished goods and work-in-progress between opening and closing dates of a reporting period.

c) Employee benefits expenses: Employee benefits expenses comprises salaries, wages and bonus, contribution to provident and other funds, gratuity expenses and staff welfare expenses.

d) Finance costs: Finance costs comprises finance costs on financial liabilities measured at amortized cost (*i.e.*, borrowings, lease liabilities and financial instruments classified as financial liability (carried at amortised cost)) and other borrowing costs.

e) Depreciation and amortisation expenses: Depreciation and amortisation expenses comprises depreciation on property, plant and equipment, including our plant and machinery, building, factory equipment, computer equipment, office and other equipment, furniture and fixtures, amongst others; depreciation of right-of-use assets; and amortization of other intangible assets, including [computer software].

f) Other expenses: Other expenses comprise primarily of power and fuel expenses, outward freight, clearing and forwarding, Travelling expenses, commission on sales, sub-contracting charges, and miscellaneous expenses. Set forth below is a description of these key components:

   (i) Service charges relate to the expenses incurred in connection with our Operations and Maintenance contracts;

   (ii) Legal and professional fees relate to the fees incurred for the legal and professional services taken from various professionals and comprise internal audit expenses, tax consultation, legal support, and lawyers fees and retainerships;

   (iii) Freight, clearing and forwarding expenses relate to the expenses incurred in transportation of the finished goods from our manufacturing site to the customer locations;

(iv) Travelling expenses relate to the travel costs incurred by our sales and support teams in visiting customer locations and sites;

(v) Sales commission relates to commissions paid to our business associates for order procurement, customer management, collections of dues and for other related support; and

(vi) Other expenses include rates and taxes, power and fuel, lease rent & license fees, and repairs and maintenance, amongst others.

Set forth below is a breakdown of our total expenses as a percentage of our revenue from operations for the periods/years indicated.

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations	Amount	Percentage of revenue from operations
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Expenses								
Cost of raw materials and components consumed	914.61	41.69	1,295.39	37.27	1,679.84	43.84	1,363.94	45.82
Purchase of stock-in-trade	95.17	4.34	114.57	3.30	193.03	5.04	87.86	2.95
Increase/(decrease) in inventories of finished goods and work-in-progress	(84.71)	(3.86)	289.41	8.33	(107.26)	(2.80)	(178.65)	(6.00)
Employee benefits expenses	386.72	17.63	424.07	12.20	475.42	12.41	412.18	13.85
Finance costs	142.80	6.51	192.42	5.54	411.50	10.74	284.49	9.56
Depreciation and amortisation expenses	196.14	8.94	248.03	7.14	217.30	5.67	218.66	7.35
Other expenses	554.27	25.27	738.36	21.24	855.87	22.33	592.28	19.90
Total expenses	2,205.00	100.51	3.302.25	95.00	3,725.70	97.22	2,780.76	93.42

Tax Expense

Our tax expense represents the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by income tax payable for earlier years and deferred tax charges or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) for the nine month period ended December 31, 2021, and for Fiscal 2021, Fiscal 2020, Fiscal 2019, amounted to ₹(11.44) million, ₹34.17 million, ₹46.12 million and ₹68.00 million, respectively.

Deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled or the asset realized. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Deferred tax is reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably certain, as the case may be, to be realized.

Operating Segment

Our Company is exclusively engaged in the business of manufacturing water treatment systems, water pollution control equipment and resource recovery systems using membrane technology. The Group caters to both domestic and international markets. As such, in accordance with Ind AS, our Company's business is considered to constitute one reportable segment.

Geographic information

The geographic information analyses our revenue by the Company's country of domicile and other countries for the periods/years indicated. In presenting geographical information, segment revenue has been based on the geographic location of customers.

The following is the distribution of our consolidated revenue and non-current assets (including property, plant and equipment, intangible assets, other non-current assets (non-financial)) by geographical area, regardless of where the goods are produced:

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total	Amount	Percentage of total*	Amount	Percentage of total*	Amount	Percentage of total*
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Revenue from operations								
Sale in India	1,742.66	79.44	2,588.89	74.48	2,505.61	65.38	2,542.34	85.41
Sale outside India	451.09	20.56	887.13	25.52	1,326.52	34.62	434.41	14.59
Revenue from operations	2,193.75	100.00	3,476.02	100.00	3,832.13	100.00	2,976.75	100.00

**Revenue from operations.*

(₹ in millions)

Non-current assets*	As at December 31, 2021	As at March 31,		
		2021	2020	2019
India	703.28	803.52	922.07	806.53
Outside India	898.79	689.89	336.32	262.73
Total	**1,602.07**	**1,493.41**	**1258.39**	**1,069.26**

* *includes property, plant and equipment, intangible assets, other non-current assets (non-financial)*

Results of operations information based on the Restated Consolidated Financial Information

Set forth below is certain select financial information based on the Restated Consolidated Financial Information for the nine month period ended December 31, 2021, and Fiscal 2021, Fiscal 2020, Fiscal 2019, the components of which are also expressed as a percentage of our total income for the periods/Fiscals indicated.

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total Income	Amount	Percentage of total Income	Amount	Percentage of total Income	Amount	Percentage of total Income
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
Revenue from operations	2,193.75	98.98	3,476.02	98.53	3,832.13	99.52	2,976.75	99.192
Other income	22.70	1.02	52.01	1.47	18.31	0.48	24.18	0.81
Total income	2,216.45	100.00	3,528.03	100.00	3,850.44	100.00	3,000.93	100.00
Expenses								
Cost of raw materials and components consumed	914.61	41.26	1,295.39	36.72	1,679.84	43.63	1,363.94	45.45
Purchase of stock-in-trade	95.17	4.29	114.57	3.25	193.03	5.01	87.86	2.93
Increase/(decrease) in inventories of finished goods and work-in-progress	(84.71)	(3.82)	289.41	8.20	(107.26)	(2.79)	(178.65)	(5.95))
Employee benefits expenses	386.72	17.45	424.07	12.02	475.42	12.35	412.18	13.74
Finance costs	142.80	6.44	192.42	5.45	411.50	10.69	284.49	9.48
Depreciation and amortisation expenses	196.14	8.85	248.03	7.03	217.30	5.64	218.66	7.29
Other expenses	554.27	25.01	738.36	20.93	855.87	2.23	592.28	19.74
Total expenses	2,205.00	99.48	3,302.25	93.60	3,725.70	96.76	2,780.76	92.66
Share of profit / (loss) of joint ventures	7.37	0.33	6.51	0.18	(0.02)	-	6.35	0.21
Profit before tax	18.82	0.85	232.29	6.58	124.72	3.24	226.52	7.55
Tax expense								
Current tax	12.82	0.58	34.31	0.97	53.07	1.38	57.27	1.91
Deferred tax charge / (credit)	(17.83)	(0.80)	(0.40)	(0.01)	(5.48)	(0.14)	12.03	0.40
Income tax pertaining to earlier years	(6.43)	(0.29)	0.26	0.01	(1.48)	(0.04)	(1.30)	(0.04)
	(11.44)	(0.52	34.17	0.97	46.12	1.20	68.00	2.27
Profit for the period/year	30.26	1.37	198.12	5.62	78.60	2.04	158.52	5.28
Other comprehensive income / (loss)								

Particulars	Nine month period ended December 31, 2021		Fiscal 2021		Fiscal 2020		Fiscal 2019	
	Amount	Percentage of total Income	Amount	Percentage of total Income	Amount	Percentage of total Income	Amount	Percentage of total Income
	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*	(*₹ million*)	*(%)*
(i) Items that will not be reclassified subsequently to profit or loss								
Remeasurement of defined benefit plans – gain/(loss)	(1.02)	(0.05)	0.01	0.00	(4.29)	(0.11)	(1.48)	(0.05)
Income tax relating to above – (charge) / credit	-	-	-	-	-	-	-	-
(ii) Items that may be reclassified subsequently to profit or loss								
Foreign exchange differences on translation of foreign operations	15.34	0.69	(59.80)	(1.69)	78.43	2.04	42.95	1.43
Foreign exchange differences on share of joint ventures	0.31	0.01	(0.50)	(0.01)	0.17	0.00	-	-
Income tax relating to above – (charge) / credit	-	-	-	-	-	-	-	-
Other comprehensive income / (loss) for the year attributable to	14.63	0.66	(60.29)	(1.71)	74.31	1.93	41.47	1.38
Total comprehensive income / (loss) for the year attributable to	44.89	2.03	137.83	3.91	152.91	3.97	199.99	6.66

Results of operations for the nine month period ended December 31, 2021

Our results of operations for the nine month period ended December 31, 2021 were affected by the following key factors:

- Due to the second wave of COVID-19 in India, we experienced lower demand for our systems and plants in the first quarter of Fiscal 2022;
- We experienced an overall increase in costs, including employee benefits expenses as we resumed hiring in anticipation of the return of customer demand following the easing of COVID-19; and
- The results of operations for the nine month period ended December 31, 2021 do not reflect the fourth quarter of Fiscal 2023, which is historically the quarter in each fiscal year in which we book a significant proportion of our systems and plants sales. See "- *Seasonality of business*" on page 349 for more information.

Total Income

Our total income was ₹2,216.45 million for the nine month period ended December 31, 2021, comprising revenue from operations and other income.

Revenue from Operations

Our revenue from operations was ₹2,193.75 million for the nine month period ended December 31, 2021, primarily comprising revenue from sale of goods of ₹1,332.47 million (representing 60.74% of our revenue from operations), , and sale of services of ₹827.26 million (representing 37.71% of our revenue from operations).

For the same nine month period ended December 31, 2021, our revenue from systems and plants, O&M services, consumables and spare parts, and modules was ₹710.67 million, ₹617.13 million, ₹715.69 million and ₹150.26 million, respectively, representing 32.40%, 28.13%, 32.62% and 6.85%, respectively, of our revenue from operations for the period on a restated consolidated basis.

Our other operating revenue was ₹5.85 million for the nine month period ended December 31, 2021, which represented 0.27% of our revenue from operations. Our other operating revenue for the nine month period ended December 31, 2021, consisted primarily of sale of recoveries like freight etc.

Other Income

Our other income was ₹22.70 million for the nine month period ended December 31, 2021, primarily consisting of interest income of ₹8.42 million and other gains and losses of ₹14.27 million.

Expenses

Cost of Goods Sold. Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, was ₹925.08 million for the nine month period ended December 31, 2021, which represented 41.74% of our total income.

Employee benefits expenses

Our employee benefits expenses were ₹386.72 million for the nine month period ended December 31, 2021, which represented 17.45% of our total income.

Finance costs

Our finance costs were ₹142.80 million for the nine month period ended December 31, 2021, which represented 6.44% of our total income.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses were ₹196.14 million for the nine month period ended December 31, 2021, which represented 8.85% of our total income.

Other expenses

Our other expenses were ₹554.27 million for the nine month period ended December 31, 2021, which represented 25.01% of our total income. Our other expenses primarily comprised (i) service charges of ₹234.37 million, (ii) legal and professional fees of ₹63.98 million, (iii) travelling expenses of ₹34.98 million, (iv) freight, clearing and forwarding expenses of ₹39.87 million, and (v) sales commission of ₹31.29 million, among others.

Share of profit / (loss) of joint ventures

Our share of profit / (loss)of joint ventures was ₹7.37 million for the nine month period ended December 31, 2021, which represented 0.33% of our total income.

Profit before tax

As a result of the foregoing, our profit before tax was ₹18.82 million for the nine month period ended December 31, 2021.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) was ₹(11.44) million for the nine month period ended December 31, 2021, of which current tax expense was ₹12.82 million, deferred tax charge / (credit)was ₹(17.83) million and income tax pertaining to earlier years was ₹(6.43) million. Our effective tax rate (which represents total tax expense expressed as a percentage of profit before tax for the relevant period) was (60.78)%.

Profit for the period

As a result of the foregoing, our profit for the nine month period ended December 31, 2021 was ₹30.26 million.

Other comprehensive income / (loss)

Our other comprehensive income in the nine month period ended December 31, 2021 was ₹14.63 million, which principally comprised of foreign exchange differences on translation of foreign operations of ₹15.34 million.

Total Comprehensive Income for the period

As a result of the foregoing, our total comprehensive income for the nine month period ended December 31, 2021 was ₹44.89 million.

Results of operations information for the Fiscal 2021 compared with Fiscal 2020

(₹ in millions, except percentages)

Particulars	For the year ended March 31,		Change (%)
	2021	2020	
Revenue from operations	3,476.02	3,832.13	(9.29)
Other income	52.01	18.31	184.00
Total income (A)	**3,528.03**	**3,850.44**	**(8.37)**
Expenses			
Cost of raw materials and components consumed	1,295.39	1,679.84	(22.89)
Purchase of stock-in-trade	114.57	193.03	(40.64)
Increase/(decrease) in inventories of finished goods and work-in-progress	289.41	(107.26)	(369.82)
Employee benefits expenses	424.07	475.42	(10.80)
Finance costs	192.42	411.50	(53.24)
Depreciation and amortisation expenses	248.03	217.30	14.14
Other expenses	738.36	855.87	(13.73)
Total expenses (B)	**3,302.25**	**3,725.70**	**(11.37)**
Share of profit / (loss) of joint ventures (C)	**6.51**	**(0.02)**	(34,194.32)
Profit before tax (A - B + C)	**232.29**	**124.72**	**86.24**
Tax expense:			
Current tax	34.31	53.07	(35.35)
Deferred tax charge / (credit)	(0.40)	(5.48)	(92.72)
Income tax pertaining to earlier years	0.26	(1.48)	(117.64)
Total tax expense	34.17	46.12	**(25.90)**
Profit for the year	**198.12**	**78.60**	**152.05**
Other comprehensive income:			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans – gain/(loss)	0.01	(4.29)	(100.31)
Income tax relating to above – (charge) / credit	-	-	-
(ii) Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations	(59.80)	78.43	(176.24)
Foreign exchange differences on share of joint ventures	(0.50)	0.17	(394.15)
Income tax relating to above – (charge) / credit	-	-	-
	(60.29)	**74.31**	**(181.13)**
Total Comprehensive Income / (Loss) for the Year	**137.83**	**152.91**	**(9.86)**

Our results of operations for Fiscal 2021 were affected by the following key factors:

- We experienced a slowdown in demand due to impact of the COVID-19 pandemic, particularly in our systems and plants business in which sales revenue decreased by 19.91% in Fiscal 2021 as compared to Fiscal 2020 due to a reduction in export sales; and

- Sales revenue from our O&M services business decreased by 9.04% in Fiscal 2021 as compared to Fiscal 2020 due to impacts from the COVID-19 pandemic.

Total Income

Our total income decreased by 8.37% to ₹3,528.03 million in Fiscal 2021 from ₹3,850.44 million in Fiscal 2020.

Revenue from Operations

Our revenue from operations decreased by 9.29% to ₹3,476.02 million in Fiscal 2021 from ₹3,832.13 million in Fiscal 2020, which is primarily attributable to the effects from COVID-19-related restrictions.

In Fiscal 2021, our revenue from our systems and plants, O&M services, consumables and spare parts, and modules businesses was ₹1,645.68 million, ₹841.19 million, ₹704.74 million and ₹284.42 million, respectively, representing 47.34%, 24.20%, 20.27% and 8.18%, respectively, of our revenue from operations for the year on a restated consolidated basis. In Fiscal 2020, our revenue from the systems and plants, O&M services, consumables and spare parts, and modules businesses was ₹2,054.90 million, ₹924.79 million, ₹622.71 million and ₹229.73 million, respectively, representing 53.62%, 24.13%, 16.25% and 5.99%, respectively, of our revenue from operations for the year on a restated consolidated basis.

In respect of our systems and plants business, our sales revenue decreased by 19.91% to ₹1,645.68 million in Fiscal 2021 from ₹2,054.90 million in Fiscal 2020, which is primarily attributable to a reduction in export sales of systems and plants largely due

to COVID-19-related travel restrictions that caused a decrease in international travel and, consequently, in export sales and installations of our systems and plants. In respect of our O&M services business, our sales revenue decreased by 9.04% to ₹841.19 million in Fiscal 2021 from ₹924.79 million in Fiscal 2020, which is primarily attributable to a disruption in the revenue in the first quarter of Fiscal 2021 due to impacts from the COVID-19 pandemic, during which many client factories were temporarily shut down. With the installed systems not operational during these temporary shutdowns, our O&M services were not required.

Such decreases were partially offset by (i) a 13.17% increase in revenue from our consumables and spare parts business to ₹704.74 million in Fiscal 2021 from ₹622.71 million in Fiscal 2020, which is primarily attributable to certain large orders received from customers in the defense industry and increased investment by our customers in maintaining existing systems, and (ii) a 23.81% increase in revenue from our modules business to ₹284.42 million in Fiscal 2021 from ₹229.73 million in Fiscal 2020, which is primarily attributable to our growing sales in the China market.

Our other operating revenue were ₹5.10 million for Fiscal 2021 as compared to ₹5.00 million for Fiscal 2020.

Other Income

Our other income increased by 184.00% to ₹52.01 million in Fiscal 2021 from ₹18.31 million in Fiscal 2020, which was primarily due to an increase in duty drawback refund to ₹24.15 million in Fiscal 2021 from ₹1.39 million in Fiscal 2020. The latter was a result of the accumulation of refunds for a few years and completion of the required documentation submissions to the Customs Department for processing the draw back.

Expenses

Cost of Goods Sold. Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, decreased by 3.75% to ₹1,699.37 million in Fiscal 2021 from ₹1,765.61 million in Fiscal 2020. In Fiscal 2021 and Fiscal 2020, our Cost of Goods Sold represented 48.17% and 45.85%, respectively, of our total income.

Employee benefits expenses

Our employee benefits expenses decreased by 10.80% to ₹424.07 million in Fiscal 2021 from ₹475.42 million in Fiscal 2020. This decrease was primarily due to a decrease of ₹51.37 million in salaries, wages and bonus to ₹386.73 million in Fiscal 2021 from ₹438.09 million in Fiscal 2020, which was on account of temporary salary reductions instituted across the middle and senior management on account of the COVID-19 pandemic. As a percentage of total income, our employee benefits expenses was 12.02% for Fiscal 2021 as compared to 12.35% for Fiscal 2020. Our full-time employee headcount was 1,083 and 1,065 as of March 31, 2021 and March 31, 2020, respectively.

Finance costs

Our finance costs decreased by 53.24% to ₹192.42 million in Fiscal 2021 from ₹411.50 million in Fiscal 2020. This decrease was primarily due to a 100% decrease in interest expense on unwinding of present value of redemption amount in respect of financial instrument classified as financial liability agreement to Nil in Fiscal 2021 from ₹227.24 million for Fiscal 2020 as the liability was fully provided in Fiscal 2020.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses increased by 14.14% to ₹248.03 million in Fiscal 2021 from ₹217.30 million in Fiscal 2020. This increase was primarily due to an increase in our fixed assets.

Other expenses

Our other expenses decreased by 13.73% to ₹738.36 million in Fiscal 2021 from ₹855.87 million in Fiscal 2020. The decrease was mainly driven by (i) a decrease of ₹40.54 million in travelling expenses as a result of reduction in both domestic and international travel due to COVID-19 induced restrictions on travel, and (ii) a decrease of ₹58.58 million in service charges as a result of shutdown of various Operation and Maintenance sites at customer locations on account of COVID-19-related restrictions.

Share of profit / (loss) of joint ventures

Our share of profit / (loss) of joint ventures was ₹6.51 million in Fiscal 2021, which represented 0.18% of our total income, and ₹(0.02) million in Fiscal 2020.

Profit before tax

As a result of the foregoing, our profit before tax increased by 86.24% to ₹232.29 million in Fiscal 2021 from ₹124.72 million in Fiscal 2020.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) decreased by 25.90% to ₹34.17 million in Fiscal 2021 from ₹46.12 million in Fiscal 2020, which was primarily due to a decrease in our current tax to ₹34.31 million in Fiscal 2021 from ₹53.07 million in Fiscal 2020 and a deferred tax charge / (credit)in Fiscal 2021 of ₹(0.40) million. Our effective tax rate (which represents total tax expense expressed as a percentage of profit before tax for the relevant period) was 14.71% and 36.98% for Fiscals 2021 and 2020, respectively.

Profit for the year

As a result of the foregoing, our profit for the period / year increased by 152.05% to ₹198.12 million in Fiscal 2021 from ₹78.60 million in Fiscal 2020.

Other comprehensive income / (loss)

We recorded a other comprehensive loss of ₹(60.29) million for Fiscal 2021 as compared to other comprehensive income of ₹74.31 million in Fiscal 2020, which was primarily due to foreign exchange differences on translation of foreign operations to ₹(59.80) million in Fiscal 2021 as compared to ₹78.43 million in Fiscal 2020.

Total Comprehensive Income for the year

As a result of the foregoing, our total comprehensive income for the year decreased by 9.86% to 137.83 million in Fiscal 2021 from ₹152.91 million in Fiscal 2020.

Results of operations information for the Fiscal 2020 compared with Fiscal 2019

(₹ in millions, except percentages)

Particulars	For the year ended March 31,		Change (%)
	2020	2019	
Revenue from operations	3,832.13	2,976.75	28.74
Other income	18.31	24.18	(24.26)
Total income	**3,850.44**	**3,000.93**	**28.31**
Expenses			
Cost of raw materials and components consumed	1,679.84	1,363.94	23.16
Purchase of stock-in-trade	193.03	87.86	119.69
Increase/(decrease) in inventories of finished goods and work-in-progress	(107.26)	(178.65)	(39.96)
Employee benefits expenses	475.42	412.18	15.34
Finance costs	411.50	284.49	44.64
Depreciation and amortisation expenses	217.30	218.66	(0.62)
Other expenses	855.87	592.28	44.55
Total expenses	**3725.70**	**2,780.76**	**33.99**
Share of profit / (loss) of joint ventures	**(0.02)**	**6.35**	(100.30)
Profit before tax	**124.72**	**226.52**	**(44.99)**
Tax expense:			
Current tax	53.07	57.27	(7.33)
Deferred tax charge / (credit)	(5.48)	12.03	(145.55)
Income tax pertaining to earlier years	(1.48)	(1.30)	13.79
	46.12	68.00	**(32.18)**
Profit for the year	**78.60**	**158.52**	**(50.48)**
Other comprehensive income:			
(i) Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plans – gain/(loss)	(4.29)	(1.48)	190.13
Income tax relating to above – (charge) / credit	-	-	-
(ii) Items that may be reclassified subsequently to profit or loss			
Foreign exchange differences on translation of foreign operations	78.43	42.95	82.59
Foreign exchange differences on share of joint ventures	0.17	-	N/A
Income tax relating to above – (charge) / credit	-	-	-
Total other comprehensive income / (loss) for the year	**74.31**	**41.47**	**79.17**
Total Comprehensive Income / (Loss) for the Year	**152.91**	**199.99**	**(23.62)**

Our results of operations for Fiscal 2020 were affected by the following key factors:

- Revenue from our manufacture and sale of systems and plants business increased by 59.33% in Fiscal 2020 as compared to Fiscal 2019 following the receipt of significant export orders;

- We made a strategic decision to undertake turnkey contracts to enter new target markets for our exports. The turnkey contracts had a 20% component of local works which were subcontracted to local vendors which resulted in lower contribution to margins for this portion of the contract. As a result, while our export sales grew significantly, our margins were adversely affected; and

- Our finance costs increased primarily as a result of the one-time, non-cash charge taken due to a change in the present value of unwinding of present value of the redemption amount in respect of financial instrument classified as financial liability. As on April 1, 2021, this buyback obligation was cancelled following an amendment in the Shareholders Agreement. Please refer to the "Summary of Proforma Key Performance Indicators and Non-GAAP Financial Measures" on page no. 326.

Total Income

Our total income increased by 28.31% to ₹3,850.44 million for Fiscal 2020 from ₹3,000.93 million for Fiscal 2019. In Fiscal 2020 and Fiscal 2019, our revenue from operations constituted 99.52% and 99.19% of our total income, respectively.

Revenue from Operations

Our revenue from operations increased by 28.74% to ₹3,832.13 million in Fiscal 2020 from ₹2,976.75 million in Fiscal 2019, which is primarily due to (i) a 59.33% increase in revenue from our systems and plants business in Fiscal 2020 as compared to Fiscal 2019, (ii) an 18.46% increase in revenue from our modules business in Fiscal 2020 as compared to Fiscal 2019, and (iii) a 5.90% increase in revenue from our O&M services business in Fiscal 2020 as compared to Fiscal 2019.

In respect of our systems and plants business, our sales revenue increased by 59.28% to ₹2,054.90 million in Fiscal 2020 from ₹1,290.13 million in Fiscal 2019, which is primarily attributable to an increase in revenue from sales outside of India. In respect of our manufacture and sale of modules business, our sales revenue increased by 18.46% to ₹229.73 million in Fiscal 2020 from ₹193.92 million in Fiscal 2019, which is primarily attributable to increased acceptance of our module products by our system integrator customers. In respect of our O&M services business, our sales revenue increased by 5.90% to ₹924.79 million in Fiscal 2020 from ₹873.22 million in Fiscal 2019, which is primarily attributable to the growth in the installed operating base of our systems and plants.

Our other operating revenue decreased by 22.63% to ₹5.00 million for Fiscal 2020 from ₹6.46 million for Fiscal 2019.

Other Income

Our other income decreased by 24.25% to ₹18.31 million in Fiscal 2020 from ₹24.18 million in Fiscal 2019. Such decrease was primarily attributable to a decrease in the liabilities written back to the extent no longer required to ₹0.63 million in Fiscal 2020 from ₹6.40 million in Fiscal 2019.

Expenses

Cost of Goods Sold. Our Cost of Goods Sold, which is the aggregate of our cost of raw materials and components consumed, purchase of stock-in-trade and increase/(decrease) in inventories of finished goods and work-in-progress, increased by 38.68% to ₹1,765.61 million in Fiscal 2020 from ₹1,273.15 million in Fiscal 2019. In Fiscal 2020 and Fiscal 2019, our Cost of Goods Sold represented 45.85% and 42.43%, respectively, of our total income. Our Cost of Goods Sold has increased as a percentage of our total income as a result of the increase in lower-margin contribution of the turnkey export orders in Fiscal 2020.

Employee benefits expenses

Our employee benefits expenses increased by 15.34% to ₹475.42 million in Fiscal 2020 from ₹412.18 million in Fiscal 2019. This increase was primarily due to an increase of ₹57.91 million in salaries, wages and bonus resulting from customary annual increments and an increase in headcount during the year. As a percentage of total income, our employee benefits expenses was 12.35% for Fiscal 2020 as compared to 13.74% for Fiscal 2019. Our full-time employee headcount was 1,065 and 917 as of March 31, 2020 and March 31, 2019, respectively.

Finance costs

Our finance costs increased by 44.64% to ₹411.50 million in Fiscal 2020 from ₹284.49 million in Fiscal 2019. This increase was primarily due to an 82.80% increase in interest expense Unwinding of present value of redemption amount in respect of financial instrument classified as financial liabilitiy. Accordingly, such interest expense was a non-cash charge.

Depreciation and amortisation expenses

Our depreciation and amortisation expenses decreased by 0.62% to ₹217.30 million in Fiscal 2020 from ₹218.66 million in Fiscal 2019.

Other expenses

Our other expenses increased by 44.51% to ₹855.87 million in Fiscal 2020 from ₹592.28 million in Fiscal 2019. The increase was mainly driven by (i) an increase of ₹140.18 million in service charges, (ii) an increase of ₹53.02 million in legal and professional fees, and (iii) an increase of ₹36.07 million in travelling expenses. Other expenses increased principally in connection with employee travel related to export orders and onsite costs related to the execution of export orders.

Share of profit / (loss) of joint ventures

Our share of profit / (loss) of joint ventures was ₹(0.02) million in Fiscal 2020 and ₹6.35 million in Fiscal 2019, which represented 0.21% of our total income.

Profit before tax

As a result of the foregoing, our profit before tax decreased by 44.94% to ₹124.72 million in Fiscal 2020 from ₹226.52 million in Fiscal 2019.

Tax expense

Our total tax expense (including current tax, deferred tax charge / (credit) and income tax pertaining to earlier years) decreased by 32.18% to ₹46.12 million in Fiscal 2020 from ₹68.00 million in Fiscal 2019, which was primarily due to a deferred tax charge / (credit)of ₹(5.48) million in Fiscal 2020 as compared to a deferred tax charge of ₹12.03 million in Fiscal 2019.

Profit for the year

As a result of the foregoing, our profit for the year decreased by 50.41% to ₹78.60 million in Fiscal 2020 from ₹158.52 million in Fiscal 2019.

Other comprehensive income / (loss)

Our other comprehensive income increased by 79.21% to ₹74.31 million in Fiscal 2020 from ₹41.47 million in Fiscal 2019, which was primarily due to an increase in foreign exchange differences on translation of foreign operations to ₹78.43 million in Fiscal 2020 from ₹42.95 million in Fiscal 2019.

Total Comprehensive Income / (Loss) for the year

As a result of the foregoing, our total comprehensive income for the year decreased by 23.54% to ₹152.91 million in Fiscal 2020 from ₹199.99 million in Fiscal 2019.

Liquidity and Capital Resources

Capital Requirements

Our principal capital requirements are for capital expenditure, acquisitions of technologies, working capital requirements and payment of principal and interest on our borrowings. Our principal source of funding has been, and is expected to continue to be, cash generated from our operations, supplemented by borrowings from banks and financial institutions. For the nine month period ended December 31, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019, we met our funding requirements, including satisfaction of debt obligations, capital expenditure, investments, other working capital requirements and other cash outlays, principally with funds generated from operations, with the balance met from external borrowings and borrowings from Promoters.

Liquidity

Our primary liquidity requirements have been to finance our working capital needs and capital expenditures, including for upgrading of existing facilities, manufacturing capacity expansion and undertaking of new projects, and the repayment of borrowings and debt service obligations. Historically, our principal sources of funding have included cash generated from operations, borrowings by way of short-term and long-term borrowings from banks, credit granted by suppliers, cash and cash equivalents and equity and financing provided by our shareholders. We have also entered into various revolving credit and other working capital facilities, which provides sufficient liquidity for our present requirements.

We had aggregate cash and cash equivalents and bank balances of ₹179.52 million, ₹203.02 million, ₹124.81 million and ₹194.20 million as at December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019, respectively.

Cash Flows Based on the Restated Consolidated Financial Information

The following table summarizes our cash flows for the nine month period ended December 31, 2021, and for Fiscal 2021, Fiscal 2020 and Fiscal 2019:

(₹ in millions)

Particulars	As at, or for the nine month period ended, December 31, 2021	As at, or for the fiscal year ended, March 31,		
		2021	2020	2019
Net cash generated from operating activities	397.32	623.03	137.69	441.01
Net cash used in investing activities	(284.40)	(224.22)	(116.66)	(237.94)
Net cash used in financing activities	(132.99)	(325.24)	(6.12)	(225.22)
Net increase / (decrease) in cash and cash equivalents	(20.07)	73.57	14.91	(22.15)
Cash and cash equivalents at the beginning of the period/year	104.26	31.51	15.32	35.12
Cash and cash equivalents at the end of the period/year	84.20	104.26	31.51	15.32

Cash flows generated from operating activities

We generated ₹397.32 million net cash from operating activities during the nine month profit before working capital period ended December 31, 2021. While our restated profit before tax for the period was ₹18.82 million, we had operating profit before working capital changes of ₹396.38 million, primarily due to adjustments for depreciation and amortisation expenses of ₹196.14 million and finance costs of ₹142.80 million. Our working capital adjustments for the nine month period ended December 31, 2021 primarily consisted of a decrease in loans, trade receivables and other assets of ₹350.09 million, which was partially offset by an increase in inventories of ₹230.49 million and a decrease in trade payables, provisions and other liabilities of ₹95.89 million. Our cash generated from operating activities was ₹397.32 million, adjusted by income tax paid of ₹22.77 million.

We generated ₹623.03 million net cash from operating activities during Fiscal 2021. While our restated profit before tax for the year was ₹232.29 million, we had operating profit before working capital changes of ₹61464 million, primarily due to adjustments for depreciation and amortisation expenses of ₹248.03 million and finance costs of ₹192.42 million. Our working capital adjustments for Fiscal 2021 primarily consisted of decreases in inventories of ₹401.65 million and an increase in loans, trade receivables and other assets of ₹51.72 million, which was partially offset by a decrease in trade payables, provisions and other liabilities of ₹289.35 million. Our cash generated from operating activities was ₹623.03 million, adjusted by income tax paid of ₹52.19 million.

We generated ₹137.69 million net cash from operating activities during Fiscal 2020. While our restated profit before tax for the year was ₹124.72 million, we had operating cash flows before working capital changes of ₹841.07 million, primarily due to adjustments for finance costs of ₹411.50 million and depreciation and amortisation expenses of ₹217.30 million. Our working capital adjustments for Fiscal 2020 primarily consisted of increases in loans, trade receivables and other assets of ₹570.42 million and in inventories of ₹363.81 million, which were partially offset by an increase in trade payables, provisions and other liabilities of ₹266.51 million. Our cash generated from operating activities was ₹137.69 million, adjusted by income tax paid of ₹35.66 million.

We generated ₹441.01 million net cash from operating activities during Fiscal 2019. While our restated profit before tax for the year was ₹226.52 million, we had operating profit before working capital changes of ₹826.95 million, primarily due to adjustments for depreciation and amortisation expenses of ₹218.66 million and finance costs of ₹284.49 million. Our working capital adjustments for Fiscal 2019 primarily consisted of increases in trade receivables and other assets of ₹172.10 million and in inventories of ₹266.02 million, which were partially offset by an increase in trade payable, provisions and other liabilities of ₹82.07 million. Our cash generated from operating activities was ₹441.01 million, adjusted by income tax paid of ₹29.90 million.

Cash flows used in investing activities

Net cash used in investing activities was ₹284.40 million in the nine month period ended December 31, 2021, primarily on account of ₹278.21 million used for the purchase of property, plant and equipment, and intangible assets, such as brand.

Net cash used in investing activities was ₹224.22 million in Fiscal 2021, primarily on account of ₹216.35 million used for the purchase of property, plant and equipment and intangible assets.

Net cash used in investing activities was ₹116.66 million in Fiscal 2020, primarily on account of ₹149.07 million used for the purchase of property, plant and equipment and intangible assets principally for capacity enhancement and strengthening our "pay per use/pay as you treat" business, and ₹63.72 million used for investments made in joint ventures.

Net cash used in investing activities was ₹237.94 million in Fiscal 2019, primarily on account of ₹153.08 million used for the purchase of property, plant and equipment principally for capacity expansion, and ₹14.71 million kept in banks.

Cash flows used in financing activities

Net cash used in financing activities in the nine month period ended December 31, 2021 amounted to ₹132.99 million, which primarily consisted of the receipt of proceeds from long term borrowings in the amount of ₹114.59 million and Proceeds from short term borrowings (net) in the amount of ₹37.41 million, which were partially offset by interest paid in the amount of ₹149.38 million.

Net cash used in financing activities in Fiscal 2021 amounted to ₹325.24 million, which primarily consisted of the repayment of short-term borrowings in the amount of ₹327.40 million and interest paid in the amount of ₹187.45 million, offset by proceeds from long-term borrowing in the amount of ₹331.23 million.

Net cash used in financing activities in Fiscal 2020 amounted to ₹6.12 million, which primarily consisted of Proceeds from short term borrowings (net)in the amount of ₹277.93 million, which were partially offset by interest paid in the amount of ₹181.67 million.

Net cash used in financing activities in Fiscal 2019 amounted to ₹225.22 million, which primarily consisted of interest paid in the amount of ₹167.95 million, which was partially offset by proceeds from long term borrowings in the amount of ₹51.10 million.

Contingent Liabilities and Capital Commitments

The following table summarizes our contingent liabilities and capital commitments as at December 31, 2021, March 31, 2021, March 31, 2020, and March 31, 2019, as determined in accordance with Ind AS 37, are described below:

(₹ in millions)

Contingent liabilities and capital commitments	As at December 31, 2021	As at March 31,		
		2021	2020	2019
(a) Contingent liabilities				
Sales tax/ VAT	5.63	5.63	5.63	19.48
Service tax	10.37	-	-	-
Income tax	2.17	14.08	12.81	10.70
Customs	0.11	0.11	0.11	0.11
(b) Capital commitments				
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	-	-	16.37	2.23
(c) Bank guarantees	177.78	212.34	211.53	178.77
(d) Corporate guarantees	259.90	246.26	147.44	173.01
(e) Performance bond	-	-	-	1.24
(f) Claims lodged against the company not acknowledged as debts:				
Kuamar Prassanna Sheludkar Sub Contractor. Pending before District Court Wardha since 2008	-	-	-	0.87

For details, see "*Restated Consolidated Financial Information – Notes to Restated Consolidated Financial Information – Note 47(A) - Contingent liabilities and capital commitment*" on page 268.

Lease Liabilities

We have entered into agreements for leasing equipment, office premises and land. Land leases typically run for a period of 22-77 years. The leases for office premises and equipment typically run for a period of up to 6 years after which the lease is subject to renewal at the option of lessee or lessor.

The following table sets forth a summary of our lease liabilities as at December 31, 2021, March 31, 2021, March 31, 2020, and March 31, 2019, broken down by current and non-current:

(₹ in millions)

Particulars	As at			
	December 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019
Current	142.38	139.57	105.95	74.34
Non-current	357.18	434.14	313.98	198.07
Total	499.56	573.71	419.93	272.41

Capital Expenditure

Capital expenditures consist primarily of investments in our office and manufacturing facilities, intangible assets like trademark licenses, new product development costs and purchases of furniture and fixtures, office equipment and motor vehicles. We also make investments at our buildings to upgrade and modernize the facilities. Capital expenditure will vary from year to year depending upon a number of factors, including the need to replace equipment and the timing of certain projects, such as investment in new technologies.

For the nine month period ended December 31, 2021, we added intangible assets of ₹224.79 million through a technology transfer agreement, dated June 29, 2021, with Rochem Water Treatment GmBH for the license of their brand "Rochem" in perpetuity, and property, plant and equipment of ₹27.99 million (primarily for plant and machinery). For Fiscal 2021, we added intangible assets of ₹40.11 million for product development cost incurred towards development of WHE modules and property, plant and equipment of ₹281.13 million (primarily for plant and machinery for expansion of manufacturing capacity). For Fiscal 2020, we added intangible assets of ₹4.86 million (primarily for software) and property, plant and equipment of ₹153.01 million (primarily for plant and machinery). For Fiscal 2019, we added intangible assets of ₹0.17 million (primarily for software) and property, plant and equipment of ₹87.70 million, primarily for plant and machinery.

The following table summarizes our capital expenditure for Fiscal 2019, Fiscal 2020 and Fiscal 2021 and the nine month period ended December 31, 2021:

(₹ in millions)

Particulars	For the nine month period ended December 31, 2021	For the fiscal year ended March 31,		
		2021	2020	2019
Buildings	1.64	-	2.87	1.38
Freehold land	-	-	33.83	-
Plant and machinery	14.81	274.12	100.12	74.79
Furniture and fixture	5.88	2.28	1.11	1.48
Office equipment	2.91	2.73	2.26	1.06
Computer	1.57	1.09	3.23	2.02
Vehicles	1.18	0.91	9.59	6.97
Technology and Trademark		40.11	-	-
Trademark and Brand*	224.79	-	-	-
Software	-	-	4.86	0.17
Total Capital Expenditure	**252.78**	**321.24**	**157.87**	**87.87**

** Pertains to intangible assets having indefinite life.*

The above capital expenditures were primarily financed by internally generated resources and long-term bank borrowings.

Financial Indebtedness

The following table sets forth our secured and unsecured debt position as of December 31, 2021 and March 31, 2021.

(₹ in millions)

Borrowings	As of December 31, 2021	As of March 31, 2021
Non-Current		
Secured Borrowings		

Borrowings	As of December 31, 2021	As of March 31, 2021
- Term loans from banks	5.10	12.64
- Term loans from financial institutions	399.49	293.88
Unsecured Borrowings		
- 0.001% unsecured compulsory convertible debenture of Rs.12,000 /- each classified as financial liability	-	8.58
Total Non-Current Borrowings	**404.59**	**315.10**
Current		
Secured Borrowings		
- Cash credit facility	304.90	376.42
- Bank Overdraft	-	9.77
- Buyer's credit	29.69	34.38
- Trust receipts-National Bank of Fujairah	145.11	137.80
- Working capital demand loan	205.00	90.00
- Current maturities of long term borrowings	27.72	32.58
Unsecured Borrowings		
Loan from Related Party		
- Financial instrument classified as financial liability*	-	2,600.00
- Loan from AF Holdings, Mauritius	74.23	73.16
Total Current Borrowings	**786.65**	**3,354.11**
Total Borrowings	**1,191.24**	**3,669.21**

* *This is the present value of the redemption amount of equity instruments classified as financial liability pursuant to the buyback obligation under the Shareholders Agreement. As on 1st April 2021, this buyback obligation was cancelled following an amendment in the Shareholders Agreement and accordingly as on 31st December 2021, the amount has been classified as Equity.*

Quantitative and Qualitative Disclosures about Market Risk

Our Board of Directors has overall responsibility for the establishment and oversight of our risk management framework. Our Board of Directors is responsible for developing and monitoring our risk management policies. Our risk management policies are established to identify and analyse the risk we face, 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 our activities. Our Board of Directors oversees how management monitors compliance with our risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks we face. The Board of Directors is assisted in its oversight role by internal audit team. Internal audit team undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

Customer credit risk is managed by each business unit subject to our established policy, procedures and control relating to customer credit risk management. To manage trade receivables, we periodically assess the financial reliability of customers, taking into account the financial conditions, economic trends, analysis of historical bad debts and ageing of such receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in "*Restated Consolidated Financial Information – Notes to Restated Financial Information – Note 45 – Financial instruments – Accounting classifications & fair value measurement*" on page 266. We do not hold collateral as security. We evaluate the concentration of risk with respect to trade receivables as low, as our customers are located in several jurisdictions and industries and operate in largely independent markets

The ageing of trade receivables at the reporting date was:

(₹ in millions)

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Undisputed trade receivables – considered good				
- Less than 6 months	969.85	1,397.47	1,341.11	1,100.25
- 6 months to 1 year	65.20	76.93	42.72	148.54
- 1 to 2 years	31.96	20.16	47.54	9.31
- 2 to 3 years	6.14	4.15	29.24	3.04
- More than 3 years	16.76	17.91	18.73	-

Particulars	As at December 31, 2021	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Sub-total	1,089.91	1,516.62	1,479.34	1,261.14
Undisputed trade receivables which have significant increase in credit risk				
- Less than 6 months	146.51	160.13	165.75	147.8
- 6 Months to 1 year	48.15	48.32	49.05	41.9
- 1 to 2 years	76.27	65.59	45.48	37.9
- 2 to 3 years	124.55	106.73	31.58	123.37
- More than 3 years	54.14	51.18	135.3	50.46
Sub-total	449.62	431.95	427.16	401.43
Disputed trade receivables – considered good				
- Less than 6 months	-	-	0.01	-
- 6 Months to 1 year	-	-	0.11	2.38
- 1 to 2 years	-	0.04	0.27	4.30
- 2 to 3 years	0.04	0.25	3.58	0.45
- More than 3 years	4.17	4.05	0.76	0.03
Sub-total	4.21	4.34	4.73	7.16
Disputed trade receivables – considered doubtful				
- Less than 6 months	-	-	0.01	-
- 6 Months to 1 year	-	-	0.13	3.16
- 1 to 2 years	-	0.24	1.26	18.05
- 2 to 3 years	0.21	1.29	16.72	1.90
- More than 3 years	21.94	20.51	3.53	0.13
Sub-total	22.15	22.04	21.65	23.24
Total	1,565.88	1,974.94	1,932.88	1,692.97

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the management in accordance with our policy. Counterparty credit limits are reviewed by the management on an annual basis, and may be updated throughout the year or period. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity Risk

Liquidity risk is the risk that we may encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we will have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

Our management monitors rolling forecasts of our liquidity position and cash and cash equivalents on the basis of expected cash flows to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration of our debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets.

The table below summarizes the maturity profile of our undiscounted contractual financial liabilities at the reporting date:

(₹ in millions)

As at December 31, 2021	Less than 1 year	1-5 years	Above 5 years	Total
Borrowings	793.34	413.41	-	1,206.75
Lease liabilities	160.42	419.26	-	579.68
Trade payable	664.36	-	-	664.36
Other financial liabilities	14.87	2.31	-	17.18
Total	1,632.99	834.98	-	2,467.97

(₹ in millions)

As at March 31, 2021	Less than 1 year	1-5 years	Above 5 years	Total
Borrowings	3,362.83	320.02	-	3,682.85
Lease liabilities	168.69	514.38	-	683.07
Trade payable	838.90	-	-	838.90
Other financial liabilities	19.11	2.42	-	21.53
Total	4,389.53	836.82	-	5,226.35

(₹ in millions)

As at March 31, 2020	Less than 1 year	1-5 years	Above 5 years	Total
Borrowings	3,653.96	43.66	-	3,697.62
Lease liabilities	175.53	380.52	-	556.05
Trade payable	989.80	-	-	989.80
Other financial liabilities	20.95	1.78	-	22.72
Total	4,840.24	425.96	-	5,266.19

(₹ in millions)

As at March 31, 2019	Less than 1 year	1-5 years	Above 5 years	Total
Borrowings	776.27	2,651.04	-	3,427.31
Lease liabilities	90.21	235.99	-	326.20
Trade payables	785.85	-	-	785.85
Other financial liabilities	21.53	2.55	-	24.08
Total	1,673.86	2,889.58	-	4,563.44

Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect our income or the value of our holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. We are exposed to market risk primarily related to foreign exchange rate risk, interest rate risk and the market value of certain commodities. Thus, its exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities. The objective of market risk management is to avoid excessive exposure in revenue and costs.

In relation to long term contracts (including derivative contracts) group has a process to assess for material foreseeable losses. At the end, the Group has reviewed and ensured that there are no material foreseeable losses.

Capital risk management

Our objectives when managing capital are to safeguard our ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, we may adjust the amount of dividend paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Our capital structure consists of equity (comprising issued capital and internal accruals), preference shares, and other long-term borrowings.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will lead to changes in fair value of financial instruments or changes in interest income, expense and cash flows of the Company. We are subject to variable interest rates on some of its interest bearing liabilities. Our interest rate exposure is mainly related to debt obligations.

Interest rate sensitivity analysis

A reasonably possible change of 1.0% in interest rates at the reporting date would have affected the profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(₹ in millions)

Particulars	Profit or (Loss)	
	Increase	Decrease
Year ended March 31, 2019		
Interest rate (1.0% movement)	(7.78)	7.78
Year ended March 31, 2020		
Interest rate (1.0% movement)	(10.10)	10.10
Year ended March 31, 2021		
Interest rate (1.0% movement)	(8.14)	8.14
Period ended December 31, 2021		
Interest rate (1.0% movement)	(6.53)	6.53

Foreign Currency Risk

We undertake transactions denominated in foreign currencies. Consequently, we are exposed to exchange rate fluctuations. Exchange rate exposures are managed within approved policy parameters utilizing foreign exchange contracts.

Exposure to currency risk:

The carrying amount of our foreign currency denominated monetary assets and monetary liabilities at the end of each reporting period/year are as follows:

(*in millions*)

Particulars		As at December 31, 2021		As at March 31, 2021		As at March 31, 2020		As at March 31, 2019	
Assets/Liability	**Currency**	**Amount in Foreign Currency**	**Amount in Functional Currency**	**Amount in Foreign Currency**	**Amount in Functional Currency**	**Amount in Foreign Currency**	**Amount in Functional Currency**	**Amount in Foreign Currency**	**Amount in Functional Currency**
Financial assets	USD	2.41	179.57	4.48	328.74	5.72	432.95	1.28	89.40
	EURO	1.21	102.45	1.43	123.15	0.92	76.03	2.05	160.20
Financial liabilities	USD	8.22	611.79	7.19	527.64	5.56	420.49	5.13	358.55
	EURO	0.36	30.47	0.52	44.98	0.14	11.72	0.09	7.00
	GBP	0.08	7.64	0.08	7.83	0.08	7.12	0.08	7.43
	AED	0.01	0.11	-	-	-	-	-	-
	SGD	-	-	-	-	-	-	-	0.06

Out of the above foreign currency exposures, none of the monetary assets and liabilities are hedged by a derivative instrument or otherwise.

Sensitivity analysis

The following table details our sensitivity to a 1% increase and decrease in the INR against relevant foreign currencies. 1% is the rate used in order to determine the sensitivity analysis considering the past trends and expectations of the management for changes in the foreign currency exchange rate. The sensitivity analysis includes the outstanding foreign currency denominated monetary items and adjust their transaction at the year-end for 1% change in foreign currency rates. A positive number below indicates an increase in profit before tax (PBT) where the INR strengthens 1% against the relevant currency. This analysis is performed on foreign currency denominated monetary financial assets and financial liabilities outstanding as at the year end. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(₹ in millions)

Particulars	Nine months period ended 31st December, 2021		Year Ended March 31, 2021		Year Ended March 31, 2020		Year Ended March 31, 2019	
Currency	**1% Increase – Decrease in PBT**	**1% Decrease – Increase in PBT**	**1% Increase – Decrease in PBT**	**1% Decrease – Increase in PBT**	**1% Increase – Decrease in PBT**	**1% Decrease – Increase in PBT**	**1% Increase – Decrease in PBT**	**1% Decrease – Increase in PBT**
USD	(4.28)	4.28	(2.01)	2.01	0.12	(0.12)	(2.59)	2.59
EURO	0.73	(0.73)	0.76	(0.76)	0.62	(0.62)	1.55	(1.55)
GBP	(0.08)	0.08	(0.08)	0.08	(0.07)	0.07	(0.07)	0.07
AED	0*	0*	-	-	-	-	-	-

* *Amounts are below the rounding threshold, i.e., INR in millions*

Excessive Risk Concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of our performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, our policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Risk Related to COVID-19

We have considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these audited financial statements including but not limited to the recoverability of carrying amounts of financial and non-financial assets, its assessment of liquidity and going concern assumption. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, we have, at the date of approval of these audited Restated Consolidated Financial Information, used internal and external sources of information and expects that the carrying amount of these assets will be recovered. We continue to take adequate safety precautions and will continue to closely monitor future economic conditions to ensure business continuity.

Reservations, Qualifications, Adverse Remarks and Matters of Emphasis Included in Financial Statements

There have been no reservations, qualifications, adverse remarks or matters of emphasis of our Statutory Auditors in the Restated Consolidated Financial Information for the nine month period ended December 31, 2021 and for Fiscals 2021, 2020 and 2019, except for the following:

- The auditors' report on the Statutory Consolidated Indian GAAP Financial Statements for the years ended March 31, 2021, 2020 and 2019 included the following bases for qualified opinion paragraphs:

    - As at 31st March 2021, the Holding Company has investment of ₹447,500,000 (as at 31st March 2020 ₹447,500,000) in Redeemable Preference Shares of Rochem Green Energy Private Limited ("RGEPL"). Considering the adverse financial position of RGEPL, the Holding Company's management has performed an impairment evaluation of its investments in RGEPL. Based on future cash flows projections of this entity, the management believes that no adjustment is needed in the carrying value of its investment in RGEPL as at 31st March 2021. However, there is lack of adequate convincing evidence for achieving the cash flow projections of this entity. Accordingly, we are unable to comment whether any adjustments are necessary to the carrying values of investments in RGEPL and its consequential impact on the profit for the year ended 31st March 2021 and the reserves and surplus as at 31st March 2021. This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

    - The Rochem Separations Systems (India) Private Limited (RSSPL), a subsidiary, had granted unsecured interest free loan aggregating ₹160,635,803 to Rochem Green Energy Private Limited, a company with common directors, in earlier years, which was not in accordance with the requirements of Section 185 of the Companies Act, 2013. The amount outstanding as at 31st March 2021 in respect of such loan is Rs. Nil. The liabilities / penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the financial statements. During the financial 2018-19, RSSPL had filed for compounding of non-compliance, the compounding order for the same is awaited. This matter was also qualified in the report on the consolidated financial statements for the year ended 31st March 2020.

    - The following basis of qualified opinion was included in the audit report dated August 12, 2021, on the financial statements of Rochem Services Private Limited (formerly known as "Concord Blue Technology Private Limited"), a subsidiary, reproduced as under:

      "Attention is drawn to Note No. 8 & 16, Trade Receivables of Rs. 8.50 crores (including Rs. 1.38 crores from overseas debtors) which are outstanding for more than 6 to 8 years, we are of the opinion that the same are doubtful of recovery. However, management is confident of recovering same and has made Provision for Doubtful Debts only to the extent of Rs. 27 lacs."

- The auditor's report issued by our Statutory Auditors dated June 29, 2022 on the 2020 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint ventures as at and for the year ended March 31, 2020 included an Emphasis of Matter paragraph as follows:

  Emphasis of Matter:

  'Basis of preparation and restriction on distribution and use

  We draw attention to Note 2.1 to the 2020 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2020 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the restated consolidated financial information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2020 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2020 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

  Our opinion is not modified in respect of this matter.

- The auditor's report issued by a peer reviewed Chartered Accountant (other than the previous statutory auditors of the Company) (the "Other Principal Auditor") dated June 21, 2022 on the 2019 Special Purpose Consolidated Ind AS Financial Statements of the Group and its joint venture as at and for the year ended March 31, 2019 included an Emphasis of Matter paragraph as mentioned below:

Emphasis of Matter:

'Basis of preparation and restriction on distribution and use

We draw attention to Note 2.1 to the 2019 Special Purpose Consolidated Ind AS Financial Statements, which describes the purpose and basis of preparation. The 2019 Special Purpose Consolidated Ind AS Financial Statements have been prepared by the Company solely for the purpose of preparation of the special purpose restated consolidated financial information in relation to the proposed initial public offering of the Company and to comply with the SEBI Communication. As a result, the 2019 Special Purpose Consolidated Ind AS Financial Statements may not be suitable for any another purpose and are also not financial statements prepared pursuant to any requirements under section 129 of the Act. The 2019 Special Purpose Consolidated Ind AS Financial Statements cannot be referred to or distributed or included in any offering document or used for any other purpose except with our prior consent in writing. Our report is intended solely for the purpose of preparation of the special purpose restated consolidated financial information and to comply with SEBI Communication and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with other entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Related Party Transactions

We enter into various transactions with related parties. For further information see "*Restated Consolidated Financial Information – Notes to Restated Financial Information – Note 56 – Related party disclosures*" on page 276.

Significant economic changes that materially affect or are likely to affect income from continuing operations

Other than as described above, to the knowledge of our management, there are no other significant economic changes that materially affect or are likely to affect income from continuing operations.

Unusual or Infrequent Events of Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions, including unusual trends on account of business activity, unusual items of income, change of accounting policies and discretionary reduction of expenses etc., that, to our knowledge, may be described as "unusual" or "infrequent".

Known Trends or Uncertainties

Our business has been affected and we expect will continue to be affected by the trends identified above in the heading titled "*Principal Factors Affecting Our Financial Condition and Results of Operations*" and the uncertainties described in the "*Risk Factors*" on page 26. To our knowledge, except as described or anticipated in this Draft Red Herring Prospectus, there are no known factors which we expect will have a material adverse impact on our sales, revenue or income from continuing operations.

Future Relationship between Cost and Income

Other than as described elsewhere in this Draft Red Herring Prospectus, including disclosure regarding the impact of COVID-19 on our operations, to the knowledge of our management, there are no known factors that might affect the future relationship between costs and revenue.

New products or business segments / material increases in revenue due to increased disbursements and introduction of new products

As on the date of the Draft Red Herring Prospectus, there are no new products or business segments that have or are expected to have a material impact on our business prospects, results of operations or financial condition.

Significant dependence on single or few customers

In the nine month period ended December 31, 2021, and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our top 10 customers contributed to 38.60%, 33.27%, 41.99% and 37.93%, respectively, of revenue from operations, and our top 20 customers contributed to 53.66%, 47.00%, 58.30% and 55.23%, respectively, of revenue from operations. See "*Risk Factors - We are dependent on and derive a substantial portion of our revenue from a limited number of customers. Cancellation by customers or delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial*

condition. We also Government Customers which exposes us to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition" on page 31.

Seasonality of business

A significant proportion of our systems and plants sales are made in the last quarter of the fiscal year, *i.e.*, the January to March quarter. To that extent, our business is subject to seasonality of revenue. The table below provides a breakdown of the proportion of systems and plant sales revenue during each quarter of the nine month period ended December 31, 2021, and Fiscals 2021, Fiscal 2020 and Fiscal 2019.

Percentage of systems and plants sales revenue during the period/year	For the nine month period ended December 31, 2021	For Fiscal 2021	For Fiscal 2020	For Fiscal 2019
First quarter	20.51%	9.85%	11.63%	8.84%
Second quarter	51.91%	29.38%	19.74%	13.79%
Third quarter	27.58%	16.14%	35.58%	22.82%
Fourth quarter	-	44.63%	33.05%	54.55%

Competitive conditions

We operate in a competitive environment, and expect competition in our industry from existing and potential competitors to intensify. Please refer to the sections "*Industry Overview*", "*Our Business*", and "*Risk Factors*" on pages 118, 154 and 26, respectively, for further information on our industry and competition.

Significant Developments after December 31, 2021 that may affect our future results of operations

Except as stated in this Draft Red Herring Prospectus and herein below, no circumstances have arisen since the date of the last financial statements forming part of the Restated Consolidated Financial Information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our operations or profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

(i) Split of equity shares:

Pursuant to a resolution passed by our Shareholders on May 25, 2022, the equity shares of our Company of face value ₹ 100 each were sub-divided into equity shares of face value ₹5 each. Pursuant to the corporate action initiated by our Company in this regard, the split of equity shares was effective from May 25, 2022.

(ii) Bonus issue:

Subject to receipt of requisite corporate and regulatory approvals and approval of shareholders in a general meeting held in accordance with applicable law, our Company proposes to undertake a bonus issue of Equity Shares in the ratio of 17:1, such that eligible shareholders are allotted 17 (seventeen) Equity Shares for every 1 (one) Equity Share held by such eligible shareholder, as on the record date of such bonus issue, which shall be undertaken no later than the filing of the Red Herring Prospectus with the RoC. The total Equity Shares to be issued pursuant to the bonus issue shall not exceed 14,469,040 Equity Shares.

CAPITALISATION STATEMENT

The following table sets forth our capitalisation derived from our Restated Consolidated Financial Information as at December 31, 2021, and as adjusted for the Offer. This table should be read in conjunction with "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Financial Statements*" and "*Risk Factors*" on pages 297, 215, and 26, respectively.

(in ₹ million)

Particulars	Pre-Offer as at December 31, 2021	As adjusted for the proposed Offer #
Total Borrowings		
Current borrowings (including current maturities of long term borrowings)	786.65	[●]
Non-Current borrowings	404.59	[●]
Total borrowings (A)	1191.24	[●]
Total Equity		
Equity Share Capital[(1)]	4.26	[●]
Other Equity	2,533.64	[●]
Total equity (B)	2,537.90	[●]
Total capitalisation (A+B)	3,729.14	[●]
Ratio: Non-Current borrowings /Total equity	0.16	[●]
Ratio: Total Borrowings/Total equity	0.47	[●]

(1) *Pursuant to a resolution of our Board dated May 23, 2022 and Shareholders' resolution dated May 25, 2022, equity shares of face value of ₹ 100 each of our Company were sub-divided into equity shares of face value of ₹ 5 each. Consequently, the issued and subscribed share capital of our Company comprising 42,556 equity shares of face value of ₹ 100 each was sub-divided into 851,120 equity shares of face value of ₹ 5 each.*

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avail credit facilities in their ordinary course of business for purposes such as, *inter alia*, meeting their working capital requirements and general corporate purposes. As on the date of this Draft Red Herring Prospectus, our Company does not have any outstanding borrowings.

For further details regarding the borrowing powers of our Board, see "*Our Management – Borrowing Powers of our Board*" on page 198.

As on May 31, 2022, the aggregated consolidated outstanding borrowings of our Company and Subsidiaries amounted to ₹1,598.96 million, and a brief summary of such borrowings is set forth below:

Category of borrowing	Sanctioned Amount (₹ in million)*#	Outstanding amount (₹ in million) as on May 31, 2022*#
Company		
Secured		
Term Loan	-	-
Working Capital	-	-
- Fund Based Limits	-	-
- Non Fund Based Limits (incl. buyers credit)	-	-
Unsecured		
Term Loan	-	-
Working Capital	-	-
- Fund Based Limits	-	-
- Non Fund Based Limits (incl. buyers credit)	-	-
Sub-total (A)	-	-
Subsidiaries		
Secured		
Term Loan	577.75	529.95
Working Capital	1,459.49	991.46
- Fund Based Limits	706.33	506.90
- Non Fund Based Limits (incl. buyers credit)	753.15	484.56
Total Secured	**2,037.24**	**1,521.41**
Unsecured		
Term Loan	232.64	77.55
Working Capital	-	-
- Fund Based Limits	-	-
- Non Fund Based Limits (incl. buyers credit)	-	-
Total Unsecured	**232.64**	**77.55**
Sub-total (B)	**2,269.89**	**1,598.96**
Total (A+B)	**2,269.89**	**1,598.96**

* *Following Exchange rate have been considered to convert foreign currency loans/ facilities into INR:*
USD: 77.54
AED: 21.11
As certified by Shah Khandelwal Jain & Associates, Chartered Accountants, by way of certificate dated June 30, 2022.

For disclosure of borrowings as of December 31, 2021, as per requirements of Schedule III of Companies Act, 2013 and related accounting standards, see "*Financial Statements*" on page 215.

Principal terms of the borrowings availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by our Subsidiaries.

1. **Interest:** The interest rate for the various facilities availed by our Subsidiaries ranges from 6.25% per annum to 15.71% per annum. The interest rates for the term loan facilities and the revolving line of credit availed by our Subsidiaries is typically linked to the marginal cost of funds based lending rate or prime lending rates of the respective lenders. Further, in terms of the vehicle loans and equipment finance loans availed by our Subsidiaries, the facilities are provided on a fixed interest rate.

2. **Penal Interest**: The terms of certain financing facilities availed by us prescribe penalties for non-compliance of certain obligations by our Subsidiaries. These include, inter alia, breach of financial covenants, non-submission of annual financial statements and stock statements, diversion of funds, non-perfection of security within permitted timelines, irregularity / overdrawing in the account etc. Further, the default interest payable on the facilities availed by us typically ranges from 1% to 4% per annum. Additional interest as specified by the lenders may be charged in case of continuation of the non-compliance beyond a certain period.

3. **Pre-payment penalty**: The terms of facilities availed by our Subsidiaries typically have prepayment provisions which allow for pre-payment of the outstanding loan amount, including upon giving notice to the concerned lender, subject to such prepayment penalties as laid down in the facility agreements. The prepayment penalty for the facilities availed by us, where specified, ranges typically between 2% to 4% of the amount outstanding or the amount to be prepaid as specified in the agreements with lenders. For certain facilities pre-payment is not disclosed however can be levied after mutual negotiation between the lenders & the borrower on the pre-paid amount.

4. **Validity/Tenor**: The working capital facilities availed by us needs to be renewed each year. Most of them are repayable on demand while few are payable within 180 days. The tenor for term loans, vehicle loans, equipment loans and other loans availed by us as secured borrowings are typically for a tenor of twenty-four (24) months to seventy-two (72) months.

5. **Security:** In terms of our secured borrowings, we are required to, inter alia:

    a. create charge on movable fixed assets, book debts and current assets, both present and future of the company/ ssubsidiaries;

    b. create charge on immovable fixed assets of the company/ subsidiaries;

    c. create charge on office located at 101 Bandra east owned by Concord Shipping Private Limited and furniture available therein;

    d. create charge on factory land & building at 49, 50, 51, 55, Vasai Taluka Industrial Estate, Bilalpada, Vasai owned by Rochem Separation Systems India Pvt. Ltd and fixed assets available therein.

    e. furnish personal guarantees from our Promoters, Prerak Goel and Prayas Goel, personal guarantees form non-promoters Suresh Bhatia and Ashish Singal and corporate guarantees from Concord Shipping Private Limited, Concord Enviro FZE, Concord Enviro Systems Limited and Blue Water Trading and Treatment FZE at different times, depending on case to case for each borrowing.

    There may be additional requirements for creation of security under the various borrowing arrangements entered into by our Subsidiaries.

6. **Repayment:** The working capital term loan and revolving line of credit are typically repayable on demand or on their respective due dates within the maximum tenure. The term loans, vehicle loans, equipment loans and other loans availed by our Subsidiaries as secured borrowings are typically repayable in structured instalments while unsecured is repayable on demand.

7. **Key Covenants**: Certain of our Subsidiaries' borrowing arrangements provide for covenants restricting certain corporate actions, and we are required to take the prior approval of the relevant lender before undertaking such corporate actions, such as following but not limited:

    a. effecting any change of control and ownership;

    b. effecting any change in our capital structure where the shareholding of the Promoter gets diluted below current levels or leads to dilution in controlling stake for any reason effecting any change in the management set-up;

    c. making any amendments in the Memorandum of Association or Articles of Association;

    d. effecting any change in the management of our Company (including Key Managerial Personnel) and/or composition of and/or remuneration payable to the Board of our Company, whether in the form of sitting fees or otherwise;

    e. attempting or purporting to alienate or creating any mortgage, charge, pledge, hypothecation or lien or encumbrance over our assets;

    f. change its constitution / composition and / or undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary;

    g. the Company/subsidiaries should not induct into its Board a person whose name appears the wilful defaulters list of RBI /CICs. In case such a person is already on the Board of the borrowing company/subsidiaries, it would take expeditious steps for removal of that person from its Board. Nominee directors are excluded for this purpose;

    h. enter into any contract or arrangement whereby its business or operations are controlled, directly or indirectly, by another person;

i. declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that such distribution may be permitted only if no event of default /breach in financial covenant is subsisting in any repayment obligations to the Bank;

j. invest by way of share capital or lend or advance fund to or place deposits with other concern, including sister/associate/family/subsidiary/ group concerns, with the exception of normal trade credit or security deposit in the ordinary course of business;

k. pledging of the shares of the Promoter to any lender;

l. undertake guarantee obligation on behalf of any third party or any other company/subsidiaries.

The above is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by us.

8. **Events of default**: Borrowing arrangements entered into by our Subsidiaries, contain standard events of default, including but not limited to:

a. for the period of overdue interest /instalment in respect of Term Loans and over-drawing above the drawing power / limit in Fund Based Working Capital accounts on account of interest / devolvement of Letters of Credit/ Bank Guarantee, insufficient stocks and receivables etc;

b. non-compliance of financial covenants;

c. any default under any other facility from any bank or financial institution;

d. Failure of our Company/subsidiaries to create, perfect or maintain security required in terms of the borrowing arrangements;

e. the occurrence of any cross default;

f. any change of ownership, control and/or management of the Company;

g. supply of misleading information by the Company/ Subsidiaries;

h. occurrence of a material adverse effect (as defined in the relevant financing document).

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by our Subsidiaries.

9. **Consequences of events of default:** Upon the occurrence of an event of default, our lenders may, inter alia,

a. Recall advance and take any recovery action;

b. Enforce security or change any of the terms of the sanction;

c. Impose a penal interest on the amount.

This is an indicative list and there may be additional consequences of an event of default under the various borrowing arrangements entered into by our Subsidiaries.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) actions taken by statutory and/or regulatory authorities; (iii) outstanding claims related to direct or indirect taxes; (iv) other pending litigation/ arbitration as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, Subsidiaries, Promoters or Directors; or (v) litigation involving our Group Companies which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals, including any outstanding action.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board dated June 15, 2022:

Any outstanding civil litigation / arbitration proceedings (other than as covered in points (i) to (iii) above) involving our Company, its Subsidiaries, its Directors and Promoters shall be considered "material" for the purposes of disclosure in this Draft Red Herring Prospectus, if:

a.) The aggregate monetary amount of claim made by or against the entity or person in any such pending proceeding exceeds 5% of the Profit after tax of our Company, as per the latest completed fiscal year in the Restated Consolidated Financial Information i.e. 9.90 million; or

b.) where monetary liability is not determinable or quantifiable for any other outstanding proceeding, including any litigation under the Insolvency and Bankruptcy Code, 2016, as amended, or which does not fulfil the financial threshold as specified in (a) above, but the outcome of which could, nonetheless, have a material adverse effect on the business, operations, performance, prospects, position or reputation of our Company (as determined by our Company).

*It is clarified that for the purposes of the above, pre-litigation notices received or sent by the Company, its Directors, Promoters, Subsidiaries, or Group Companies ("**Relevant Parties**") from third parties (excluding notices issued by statutory/regulatory authorities or tax authorities or notices threatening criminal action) have not and shall not, be considered as material litigation until such time that the Relevant Parties, as the case may be, are impleaded as a party in proceedings before any judicial / arbitral forum. Further, FIRs (whether cognizance has been taken or not) initiated against the Relevant Parties shall be disclosed in this Draft Red Herring Prospectus.*

Except as stated in this section, there are no outstanding material dues to creditors of our Company. For this purpose, our Board has considered and adopted a policy of materiality for identification of material outstanding dues to creditors. In terms of the Materiality Policy, creditors of our Company to whom amounts due by our Company is equal to or in excess of 5% of the trade payables, i.e. ₹33.22 million of the Company as at the end of the latest period included in the Restated Consolidated Financial Information, would be considered as material creditors.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus. All terms defined herein in a particular litigation disclosure pertain to that particular litigation only.

A. Litigation involving our Company

Outstanding criminal litigations involving our Company

Nil

Outstanding actions by statutory or regulatory authorities against our Company

Nil

Other pending material litigation against our Company

1. Reliance Industries Limited ("**RIL**") had filed an application dated March 9, 2015 before the High Court of Judicature at Bombay seeking injunction against our Company, for use of its logo. It was alleged by RIL that our Company's logo was deceptively similar to RIL's logo and therefore the use of our Company's logo constituted an infringement and passing off of RIL's registered trademark under the Trademarks Act, 1999. The High Court of Judicature at Bombay, in its order dated June 30, 2016 disposed of the matter denying the said injunction to RIL on the ground that not only was there no similarity between the two logos, instead the two logos were absolutely distinct and therefore no question of confusion or deception arose even to the naked eye. RIL has filed an appeal dated November 7, 2016 before the High Court of Judicature at Bombay against the said judgement. The matter is currently pending.

Civil proceedings by our Company

Nil

B. Litigation involving our Promoters

Outstanding criminal litigation against our Promoters

1. A complaint dated September 5, 2013 was filed by Alok Singh, Proprietor of M/s. Usha Engineers ("**Complainant**") under section 138 of the Negotiable Instruments Act, 1881, before the Additional Chief Judicial Magistrate, Ankaleshwar, against Rochem Green Energy Private Limited ("**RGEPL**") and our Promoter, Prayas Goel. The Complainant was engaged by RGEPL through work orders dated June 25, 2012 and December 14, 2012 at Ramtekdi Industrial Area, F.P. No. 86, Solapur Road, Hadapsar, Pune – 411 013 ("**Premises**") for electrical works. It was alleged by the Complainant that a cheque dated July 15, 2013 for ₹ 0.64 million issued by RGEPL was returned by the bank with a memo stating the reason as "payment stopped by drawer" and a cheque dated June 15, 2013 for ₹ 0.50 million was returned by the bank with a memo stating the reason as "funds insufficient". By way of order dated January 12, 2015, the matter was transferred to the Metropolitan Magistrate, Ballad Pier, Mumbai. The matter is currently pending.

Outstanding actions by statutory or regulatory authorities against our Promoters

The following proceedings by statutory or regulatory authorities are outstanding against our Promoters:

1. The Municipal Corporation of Greater Mumbai, through the office of the Assistant Municipal Commissioner issued a notice dated March 31, 2012 under section 53 of the Maharashtra Regional and Town Planning Act, 1966 ("**Town Planning Act**") on Late Kamlesh Kumar Goel, the father of our Promoters, Prayas Goel and Prerak Goel, on the ground that the construction work undertaken on the premises situated at Flat 1001, Eben Ezer, F. P. No. 93, Indra Narayan Chowk, Tagore Road, Santacruz, Mumbai 400 054 ("**Premises**") was not in accordance with the permission granted under the Town Planning Act and directed to restore the construction in the Premises to the original position within one month of the receipt of such notice. The Premises are currently jointly owned by our Promoters. In reply to the said notice, our Promoters, filed affidavits of evidence dated February 12, 2019 and October 5, 2019 before the Bombay City Civil Court at Dindoshi claiming that they have not carried out any construction or modification to the Premises and that the Premises are in the same condition as it was handed over to them by the builder. The matter is currently pending.

Other pending material litigation involving our Promoters

Except as disclosed in "*Other pending material litigation against our Subsidiaries*" below, there are no pending material litigation involving our Promoters ***Disciplinary action including penalty imposed by SEBI or stock exchanges against the promoters in the last five financial years including outstanding action***

Nil

C. Litigation involving our Directors (other than our Promoters)

Outstanding criminal litigation involving our Directors (other than our Promoters)

Nil

Outstanding actions by statutory or regulatory authorities against our Directors (other than our Promoters)

Nil

Other pending material litigation involving our Directors (other than our Promoters)

Nil

D. Litigation involving our Subsidiaries

Outstanding criminal litigation involving our Subsidiaries

Nil

Outstanding actions by statutory or regulatory authorities against our Subsidiaries

Nil

Other pending material litigation by our Subsidiaries

1. A demand notice dated March 25, 2019 was filed by our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") against M/s. Thiru Arooran Sugars Limited **("TASL")** under section 8 of the IBC, 2016 for repayment of unpaid amount of ₹ 10.51 million. TASL had entered into an agreement dated April 1, 2010 with RSSPL for availing the services of the membrane module system of effluent recycle offered by RSSPL. It is alleged that, TASL stopped making payments on the invoices raised by RSSPL, due to which RSSPL issued another demand notice on April 30, 2019 to claim the amount, however, was unable to recover the same. After corporate insolvency resolution process was admitted against TASL vide an order of National Company Law Tribunal, Chennai dated June 7, 2019, RSSPL submitted a detailed proof of claim dated June 20, 2019 with relevant invoices and exhibits to recover the aforementioned amount along with one membrane technology based water/ waste water treatment / recycle equipment belonging to RSSPL that is in the possession of TASL. Vide letter dated November 16, 2019, the Insolvency Resolution Professional ("**IRP**") appointed for TASL approved the claim of ₹ 4.16 million, however, the remaining amount stands unpaid. The matter is currently pending.

2. A suit for permanent injunction dated September 11, 2019 was filed by our Subsidiary Rochem Separation Systems (India) Private Limited ***("RSSPL")*** under section 29 Trade Marks Act, 1999 read with Section 15 of the Code of Civil Procedure, 1908, against Ion Exchange India Limited in the High Court of Delhi in respect of the infringement of the registered trademarks of RSSPL, namely, 'DT DSK TRUBE', 'DISCTUBE', 'DISK TUBE" and "DT". It was alleged that Ion Exchange India Limited had inserted its own trademark as a prefix to the registered trademark of RSSPL resulting in deceptively similar trademarks associated with the same products and services as RSSPL. Thereafter, Ion Exchange Limited, filed an application under section 124 (1) (ii) of the Trademarks Act, 1999 read with section 151 of the Code of Civil Procedure, 1908, challenging the validity of RSSPL's trademark on the ground that they are generic and devoid of any distinct character. It was further claimed by Ion Exchange India Limited that RSSPL's trademarks were generic terms that could not be proprietary to anyone, and thus the use of generic terms along with its own registered trademark does not amount to trademark infringement. The High Court of Delhi, in its order dated October 16, 2019 directed Ion Exchange Limited to file its reply to the application within three weeks along with the permission to file written statement along with the affidavit of admission of admission or denial. RSSPL has prayed for a compensation of up to ₹ 20 million for infringement of trademark rights and a permanent injunction against Ion Exchange limited to stop using these trademarks. Thereafter, RSSPL also issued a notice dated November 21, 2019 against Ion Exchange India Limited to cease and desist from manufacturing. importing/soliciting/using/selling any products and services with bearing the mark identically or deceptively similar to the registered trademark of RSSPL, that is, "Rochem" in the ordinary course of business. It was alleged by RSSPL that Ion Exchange India Limited was using its registered trademark for packaging and on the invoices of filtering and purifying machinery. In its notice, RSSPL also requested Ion Exchange India Limited for destruction of all promotional material bearing the trademark in question along with a signed and stamped undertaking that it will not use the impugned trademark or any mark which is deceptively similar to any of RSSPL's registered trademarks. Thereafter, vide letter dated December 4, 2019, Ion Exchange India Limited requested time for replying to our cease and desist notice. The matter is currently pending.

3. A proof of claim dated September 5, 2018 was submitted by our Subsidiary, Rochem Separation Systems (India) Private Limited ***("RSSPL")***, as an operational creditor to Unimark Remedies Limited ("**Unimark**"), which is currently undergoing corporate insolvency resolution process vide an order dated April 3, 2018 by the National Company Law Tribunal, Mumbai. Unimark had obtained one membrane technology-based water/ wastewater treatment/ recycle equipment on a dry rental basis with exclusive right to use and operate the equipment vide agreement dated September 24, 2015 and at a fixed monthly rental of ₹ 0.19 million per month. Further, it had also entered into an operation and maintenance agreement dated September 24, 2015 with RSSPL, wherein the latter was providing Operational Services to Unimark. RSSPL raised several invoices pursuant to the services provided under the agreements, however, Unimark failed to clear its dues on time, despite multiple reminders shared by RSSPL. After the commencement of corporate insolvency resolution process against Unimark, public announcements dated April 9, 2018 and April 10, 2018 were made by the Insolvency Resolution Professional ("**IRP**") thus inviting creditors to submit proofs of their claims. RSSPL also submitted its claim for the unpaid dues amounting to ₹ 4.73 million. The IRP has admitted a claim amount of ₹ 3.59 million, however, the remaining amount currently stands unpaid. The matter is currently pending.

4. A proof of claim dated December 12, 2019 was submitted by our Subsidiary, Rochem Separation Systems (India) Private Limited ***("RSSPL")***, as an operational creditor to Kudos Chemie Limited ***("KCL")***, which is

currently undergoing corporate insolvency resolution process vide an order of the National Company Law Tribunal, dated July 5, 2019. KCL had purchased a Membrane Technology based RO Plant equipment from RSSPl and had appointed RSSPL for operation and maintenance of the plant vide Operation and Maintenance Agreement dated June 1, 2012. RSSPL raised invoices for each month between February to September 2014, however, KCL, failed to do clear its dues on time, despite multiple reminders by RSSPL. On May 2, 2018, RSSPL shared a letter with KCL to clear all dues amounting to ₹ 2.38 million within 10 days of receipt of the letter, but no response was received. After the commencement of corporate insolvency resolution process, RSSPL submitted its claim to the Insolvency Resolution Professional ("**IRP**") for the aforementioned amount. The claim amount is currently pending determination by the IRP.

5. A proof of claim dated October 22, 2019 was submitted by our Subsidiary, Rochem Separation Systems (India) Private Limited ***("RSSPL")***, as an operational creditor to the Jeypore Sugar Company Limited ***("JSCL"),*** which is currently undergoing corporate insolvency resolution process vide an order of the National Company Law Tribunal, Chennai dated February 25, 2019. JSCL had availed the services of RSSPL for their Membrane Module System for Effluent Recycle at two destinations, namely, the Chagallu Site and the Jangareddigudem Site. The parties had initially entered into an Operation and Maintenance Agreement dated March 6, 2008 for a period of 3 years, which was eventually renewed on April 1, 2011 and then on August 28, 2015. It was alleged that JSCL defaulted on payments due to RSSPL since 2013, and failed to clear the invoices even after multiple reminders and requests. After the commencement of corporate insolvency resolution process, RSSPL submitted its claim to the Insolvency Resolution Professional ("**IRP**") for unpaid dues worth ₹ 8.27 million. The IRP has admitted a claim amount of ₹ 7.74 million and vide his email dated June 16, 2021 agreed to look into the discrepancy between the amount of claim submitted and the amount of claim admitted however. Thereafter, pursuant to an order by the NCLT, Chennai dated April 22, 2020, liquidation proceedings were commenced for JSCL. The matter is currently pending. The claim amount is currently pending determination by the IRP.

6. A petition dated September 9, 2021 was filed by our Subsidiary, Rochem Separation Systems (India) Private Limited ***("RSSPL")***, in the Bombay City Civil Court (Dindoshi Branch) to set aside its order dated March 26, 2021 which dismissed the summary suit filed by RSSPL against Chairman Processors Limited ***("CPL") ("Impugned Order")***. CPL had purchased 3 R.O. Membrane Systems from RSSPL via work order dated September 10, 2016. The plants were delivered on time and RSSPL also provided ancillary services for the same, without any additional charges. It was alleged that even after multiple reminders and requests, CPL has defaulted in the payments of ₹ 2.02 million in lieu of the plants and ₹ 0.51 million for the operation and maintenance of the R.O. Membrane System. RSSPL had initially sent a notice dated October 10, 2017 and thereafter initiated the process of pre-institution mediation. After no response was received from CPL to the mediation notices, the mediation process was declared non-starter and a report dated July 4, 2019, was filed in the Bombay City Civil Court (Dindoshi branch) by the Legal Services Authority. RSSPL had also served notices dated December 14, 2017 and January 6, 2018 under section 8 of the Insolvency and Bankruptcy Code, 2016 for recovery of ₹ 2.02 million and ₹) 0.51 million respectively from CPL. CPL replied to the notice dated December 14, 2017 vide its letter dated December 25, 2017 disputing the dues of ₹ 2.02 million by RSSPL and alleging that out of the of 3 R.O. Membrane systems that were supposed to be installed by RSSPL by December 2016, only one was installed in the given timeline and the remaining two were installed in February 2017. CPL further alleged that there was difference in the quality and price mentioned in the work order and the quality of the pumps actually installed. In response, RSSPL vide its letter dated January 19, 2018, alleged that representatives of RSSPL had offered to replace the pumps upon payment of balance amount due. As CPL had failed to repay the balance amount sought, RSSPL called upon CPL to pay the full amount of ₹ 2.52 million due to it. Thereafter, RSSPL also filed a summary suit in the Bombay City Civil Court (Dindoshi Branch) for recovery of dues amounting to ₹ 2.52 million with interest thereon at the rate of 24% per annum which was disposed-off vide the impugned order. RSSPL then filed the instant petition to set aside the impugned order alleging certain files being misplaced by the Mediation Department. The matter is currently pending.

Other pending material litigation against our Subsidiaries

1. A complaint dated September 9, 2015 was filed against our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") by Suresh Valiba Thorat ("**Complainant**") in the Labour Court, Thane under section 28 of the Maharashtra Act I of 1972 (Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1972) and Schedule IV of the Prevention of Unfair Labour Practices Act, pursuant to which a notice dated October 6, 2015 was issued to RSSPL and our Promoter, Prerak Goel to appear before the Labour Court, Thane and show cause as to why the interim reliefs prayed for by the Complainant should not be granted. It has been alleged by the Complainant that he was employed as a technician with RSSPL since 2011 and on August 4, 2015, he was terminated without any letter or notice. The Complainant has therefore prayed for interim reliefs inter alia, that an enquiry be made and RSSPL be

directed to cease to engage in unfair labour practice, and that the Complainant be reinstated with full back wages from August 4, 2015. RSSPL claims that vide a termination letter dated August 4, 2015, the employee was released from his duties due to unsatisfactory service and various warning letters were issued to him prior to such termination, which were not acknowledged by the complainant. The matter is currently pending.

2. A public interest litigation dated February 27, 2021 was filed by Pratik Rajendra Oturkar before the High Court of Judicature at Bombay against the Municipal Commissioner, Pune Municipal Corporation, the Government Pleader (appellate side), High Court, Mumbai, the Pune Municipal Corporation the Maharashtra Pollution Control Board, the Pune District Metropolitan Committee, the Secretary, Urban Development Department, Government of Maharashtra, the Direct Collector, the Secretary, Department of Environment and Protection, Government of Maharashtra, and our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") (collectively, the "**Respondents**"). It was claimed that Respondents' use of the property as a dumping ground instead of for operating integrated waste processing plant without an environment clearance certificate was violating the provisions under the Solid Waste Management Rules, 2016 and the Notification issued under sub-section (1) clause (v) of sub- section 2 of Section 3 of the Environment Protection Act, 1986, thus, deeming the industrial activities to be illegal and bad in law. The matter is currently pending.

3. An application dated March 30, 2017 was filed by Anand Uttarkar before the principal bench of the National Green Tribunal ("**NGT**") against our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**"), the Municipal Corporation of the city of Pune, the Maharashtra Pollution Control Board and the Maharashtra Energy Development Agency for violations of provisions under the Solid Waste Management Rules, 2016 (erstwhile Municipal Solid Wastes (Handling and Management) Rules, 2000) ("**SWM Rules**") notified under the Environment (Protection) Act, 1986, Water (Prevention and Control of Pollution) Act, 1974 ("**Water Act, 1974**") and the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act, 1981**"). RSSPL had entered into a concession agreement dated November 18, 2010 with the Pune Municipal Corporation pursuant to which it was required to set up a waste to electricity plant ("**WTE Plant**"). It was alleged by the Plaintiffs that the said plant was unable to increase its capacity to the desired limit and also failed in generating electricity. Further, it was alleged that RSSPL illegally dumped municipal waste inside the premises of the plant which was continuously causing air and water pollution in the area. Despite receiving several termination notices from the Pune Municipal Corporation indicating the breaches committed by RSSPL, including non-renewal of its environmental clearances, its application to renew the project was authorized by the Maharashtra Pollution Control Board. The Plaintiffs claim that despite issuing letters to RSSPL detailing these issues and filing applications under the Right to Information Act, 2005 applications with the regulatory authorities included as respondents in the case, no response was received with respect to the matter. Post hearings from both the parties, NGT vide order dated March 23, 2021 constituted an Independent Joint Committee ("**Committee**") to look into the matter. The Committee submitted its report dated November 29, 2021 which observed various non-compliances and environmental hazards caused by the operations of RSSPL. RSSPL filed an application indicating that Rochem Green Energy Private Limited ("**RGEPL**") is now a party to this litigation since the solid waste treatment business of RSSPL has been transferred to RGEPL vide an agreement of transfer dated July 7, 2011, however currently, the distinction is still pending.

Additionally, Harshvardhan Modak had filed a public interest litigation dated January 10, 2015 before the High Court of Judicature at Bombay against RSSPL, the Pune Municipal Corporation, the Municipal Commissioner of the Pune Municipal Corporation, Executive Engineer of the Maharashtra State Electrical Distribution Corporation Limited, Regional Officer, Pune of the Maharashtra Pollution Control Board and the Joint Municipal Commissioner of the Solid Waste Management Department of the Pune Municipal Corporation alleging that waste was being burnt by RSSPL resulting in damage to the environment and that the plant was being operated without obtaining due consents under the Water Act, 1974 and the Air Act, 1981. The matter was later transferred to the NGT.

Similarly, Sandip Aphale has filed an application dated January 21, 2019 against the Maharashtra Pollution Control Board, Pune Bio Energy Systems Private Limited, the District Collector, Pune, the Ministry of Environment, Forest and Climate Change, the Pune Municipal Corporation, the Urban Development Department, the State of Maharashtra and RSSPL before the NGT, alleged that in lieu of the absence of a buffer zone around the waste processing facility, the environmental clearance granted to the RSSPL for its plant was in violation of the SWM Rules.

Considering the common issue of violation of environmental norms by RSSPL, the NGT clubbed the applications filed by Anand Uttarkar, Harshvardhan Modak and Sandip Aphale and issued a common order dated March 3, 2022, in which it upheld the recommendations of the Committee and imposed a fine of ₹ 124.98 million on Rochem Green Energy Private Limited. Thereafter, the Maharashtra Pollution Control

Board vide its notice dated March 25, 2022 requested RSSPL to deposit the said fine amount of ₹ 124.98 million within 30 days. Against the NGT order dated March 3, 2022, RSSPL filed an appeal dated April 6, 2022 under section 22 of the National Green Tribunal Act, 2010 before the Supreme Court of India challenging the said order on the grounds that RSSPL had not been given an adequate opportunity to submit its objections to the findings of the Committee and that the NGT had relied solely on the findings of the Committee without itself evaluating the merit of those findings. Moreover, RSSPL has also alleged in its appeal that the order of the NGT was ex facie illegal as the principal bench of the NGT had erroneously exercised jurisdiction because as per Rule 11 of the National Green Tribunal (Practices and Procedure) Rules, 2011, the matter fell within the jurisdiction of the western zone bench of NGT, Pune. The matter is currently pending.

4. A plaint dated July 22, 2015 and amended by way of first amendment dated June 20, 2017 and second amendment dated June 15, 2018 was filed against our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") by M/S Unitop Aquacare ("**Unitop**") in the Court of Civil Judge, Senior Division, Thane at Thane for recovery of balance amounts due from RSSPL. It was alleged that RSSPL caused delays in providing the plant commissioning reports after evaporator plants were set up by Unitop under three purchase orders dated November 8, 2010, February 21, 2012 and February 21, 2012 for RSSPL's customers, namely, Ispat Industries Limited, Ambuja Cements Limited and JSW Limited amounting to ₹ 17.69 million, ₹ 8.69 million and ₹ 21.75 million respectively. It is claimed by Unitop that despite issuing several notices to RSSPL, the requisite payment amounting to a total of ₹ 10.05 million together with interest at the rate of 18% per annum remained due. RSSPL in its written statement dated December 8, 2015, claimed that the services rendered by Unitop were inadequate which led to unsuccessful commissioning of the plant, due to which the payment was not made. The matter is currently pending and the amount remains unpaid.

5. An arbitration proceeding was filed against our Subsidiary, Rochem Separation Systems (India) Private Limited ("**RSSPL**") by Embio Limited vide legal notice dated June 21, 2016. Embio Limited had approached RSSPL seeking its help to address the issue of disposal of waste and accordingly after negotiations, the parties entered into a work agreement dated November 1, 2010 and a build, operate and transfer agreement dated November 1, 2010. Thereafter, Embio Limited evoked arbitration alleging breach of works contract, abandonment of operations of RO system and Multi Effect Evaporator (MEE), purporting to terminate the agreement by RSSPL. It also filed a statement of claims dated December 20, 2016, claiming a total sum of ₹ 334.58 million for return of various deposits, damages, additional expenses and specific performance under the aforesaid Agreement. In response, RSSPL has claimed ₹ 314.79 million under unpaid invoices, capitalised value of assets retained, breach of non-solicitation and non-compete clause, opportunity cost, TATA Capital Loan, employee training cost and costs of arbitration. Further, an application dated June 21, 2017 was also made by RSSPL under section 17 of the Arbitration and Conciliation Act, 2015, wherein they had sought interim reliefs including appointment of a court commissioner under Order 40, Rule I and II of the Civil Procedure Code, 1908 to visit the premises of the plaintiff and ascertain the status of the equipment plant, and prohibiting the Embio Limited from creating third-party rights in the equipment / treatment plan. Vide order dated September 25, 2017, the sole arbitrator in the matter allowed the aforementioned interim reliefs. A Sur-Sur-Rejoinder was filed by Embio limited on November 15, 2021. The matter is currently pending.

E. Tax proceedings against our Company, Subsidiaries, Promoters and Directors

Set out below are details of claims relating to direct and indirect taxes involving our Company, Promoters, Subsidiaries and Directors:

Nature of case	Number of cases	Demand amount involved (in ₹ million)
Our Company		
Direct tax	1	1.05
Indirect tax	-	-
Promoters		
Direct tax	-	-
Indirect tax	-	-
Directors (other than Promoters)		
Direct tax	-	-
Indirect tax	-	-
Subsidiaries		
Direct tax	1	0.61
Indirect tax	4	16.11

F. Litigation involving our Group Companies

There is no pending litigation involving our Group Companies as on the date of this Draft Red Herring Prospectus, which will have a material impact on our Company.

G. Outstanding dues to creditors

As per the Materiality Policy, a creditor of our Company, shall be considered to be material ("**Material Creditors**") for the purpose of disclosure in this Draft Red Herring Prospectus, if amounts due to such creditor by our Company is equal to, or in excess of, 5% of the total trade payables of our Company as at the end of the latest period in the Restated Consolidated Financial Information. Accordingly, a creditor has been considered 'material' by our Company if the amount due to such creditor exceeds ₹33.22 million as of December 31, 2021. The details of our outstanding dues to material creditors, micro, small and medium enterprises, and other creditors (including capital creditors), as of December 31, 2021 are as follows:

Particulars	Number of creditors	Amount outstanding (in ₹ million)
Micro, small and medium enterprises*	88	85.00
Material Creditor(s)	1	42.29
Other creditors (including capital creditors)	615	579.38
Total	**703**	**664.38**

* *As defined under the Micro, Small and Medium Enterprises Development Act, 2006.*

For further details about outstanding overdues to Material Creditors as on December 31, 2021, along with the name and amount involved for each such Material Creditor, see www.concordenviro.in/ipo.

It is clarified that such details available on our Company's website do not form a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any source of information including our Company's website, would be doing so at their own risk.

H. Material Developments since the last balance sheet date

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 297, there have been no material developments, since the date of the last financial statements disclosed in this Draft Red Herring Prospectus, or any circumstances, which materially and adversely affect, or are likely to affect, in the next 12 months, our operations, value of our consolidated assets, our ability to pay off our liabilities, trading or profitability of our Company or the value of its assets or its ability to pay liabilities.

GOVERNMENT AND OTHER APPROVALS

Set out below is an indicative list of licenses, approvals, registrations, and permits obtained by our Company and our Material Subsidiaries which are considered material and necessary for the purpose of undertaking our business activities. Except as disclosed herein, we have obtained all material consents, licenses, registrations, permissions and approvals from various governmental, statutory and regulatory authorities, which are necessary for undertaking our Company's and Material Subsidiaries' current business activities and operations. Except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company and Material Subsidiaries. In the event any of the approvals and licenses that are required for our business operations expire in the ordinary course, we make applications for their renewal from time to time. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. For details in connection with the regulatory and legal framework within which our Company operates, see "Key Regulations and Policies in India" on page 175.

For Offer related approvals, see "Other Regulatory and Statutory Disclosures" on page 364 and for incorporation details of our Company, see "History and Certain Corporate Matters" on page 181. For details of the risk associated with a delay in obtaining, or not obtaining, the requisite material approvals, see "Risk Factors – We require various regulatory approvals and licenses for the purpose of our business. Our inability to obtain, maintain or renew such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, or maintaining the required filings and registers under such required laws, may have a material adverse effect on the continuity of our business and may impede our effective operations in the future." on page 37.

I. Approvals relating to the Offer

For authorisations and consents in relation to the Offer, see the section titled *"Other Statutory and Regulatory Disclosures"* on page 364.

II. Incorporation Details of our Company

For incorporation details our Company, see *"History and Certain Corporate Matters"* on page 181.

III. Incorporation Details of our Material Subsidiaries

For incorporation details our Material Subsidiaries, see *"Our Subsidiaries and Joint Ventures"* on page 187.

IV. Approvals in relation to our Company

A. Tax Related Approvals

1. The Permanent Account Number issued by the Income Tax Department, Government of India, under the Income-tax Act, 1961 is AAACC8962C.

2. The Tax Deduction Account Number issued by the Income Tax Department under the Income-tax Act, 1961 is MUMC14186E.

3. The goods and services tax registration number of our Company is 27AAACC8962C1ZP.

4. Central Excise Registration Certificate bearing number AAACC8962CXD001 issued by the Central Board of Excise and Customs dated July 21, 2008.

5. Certificate of registration issued by the Professional Tax Office under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

B. Labour and Commercial Approvals

1. Certificate procured under the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2017.

2. Certificate of Enrolment under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing reference number 99502016085P.

3. Registration for employees' provident fund issued by the Employees' Provident Fund Organization under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

4. Certificate of Importer-Exporter Code bearing reference number 0399019251 issued by the office of the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992.

V. Approvals in relation to our Material Subsidiaries

Rochem Separation Systems (India) Private Limited

A. Tax Related Approvals

1. The Permanent Account Number issued by the Income Tax Department, Government of India, under the Income-tax Act is AABCR1955P.

2. The Tax Deduction Account Number issued by the Income Tax Department under the Income-tax Act, 1961 is MUMR16682B.

3. The goods and services tax registration number of Rochem Separation Systems (India) Private Limited is 27AABCR1955P1ZV.

4. Certificate of Importer-Exporter Code bearing reference number 0393040658 issued by the office of the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India, under the Foreign Trade (Development and Regulation) Act, 1992.

5. Central Excise Registration Certificate bearing number AABCR1955PXM001 issued by the Central Board of Excise and Customs dated February 4, 2005.

6. Registration as an employer issued by the Professional Tax Office under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.

B. Material Approvals in relation to our business operations

1. Factory license issued by the Directorate of Industrial Safety and Health, Government of Maharashtra under the Maharashtra Factory Rules, 1963.

2. Certificate dated April 26, 2021 from EEPC India (formerly Engineering Export Promotion Council) bearing number 201/M06431/2021-22.

3. Consent to operate from the Maharashtra Pollution Control Board dated May 21, 2013 bearing Consent Number MPCB/SROT-II/TN-4467-13/04370.

4. Certificate of Approval dated September 21, 2021 by Lloyd's Register in respect of ISO 9001:2015 certification for our management system, and valid till September 30, 2024.

C. Labour and Commercial Approvals

1. Registration dated April 28, 2005 under the Maharashtra Labour Welfare Board bearing Establishment Code Number MUM-17049.

2. Certificate from Employees' State Insurance Corporation dated February 16, 1998.

3. Registration under the Employees' Provident Funds and Miscellaneous Provision Act, 1952 dated July 2, 1997.

4. Certificate procured under the Maharashtra Shops and Establishment (Regulation of Employment and Conditions of Service) Act, 2017.

5. Registration under the Employees Gratuity Scheme Trust vide Gratuity Trust deed dated December 3, 1997.

6. Certificate of Enrolment dated May 19, 2006, under the Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975 bearing reference number PT/E/1/1/28/18/4175.

Concord Enviro FZE

A. Material Approvals in relation to our Business Operations

1. Commercial License No. 07601 dated November 25, 2009, issued for having activity as Trading in Water Treatment Products & related Items and valid till November 24, 2022.

2. Industrial License No. 14072 dated July 24, 2014, issued for having activity as Manufacturing, Testing and Assembling of Water Filter Plants and valid till November 24, 2022.

Blue Water Trading and Treatment FZE

1. Material Approvals in relation to our Business Operations

1. Commercial License No.04119 dated July 3, 2006, issued for having activity as Trading in Water Treatment Equipment and valid till March 13, 2023.

2. Industrial License No.04769 dated March 14, 2007, issued for having activity as Manufacturing of Water Filters and valid till March 13, 2023.

Material approvals that have expired for which renewal applications have been made:

Nil

Material approvals that are required but for which no applications have been made:

Nil

Intellectual property rights

For details, see "*Our Business-Intellectual Property*" on page 172.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorised by our Board of Directors pursuant to the resolution passed at its meeting dated June 15, 2022 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their extra-ordinary general meeting dated June 22, 2022. This DRHP has been approved by our Board of Directors pursuant to the resolution passed at its meeting held on June 30, 2022. Our Board of Directors has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to the resolution passed at its meeting dated June 30, 2022. For further details, see "*The Offer*" on page 61.

The Selling Shareholders have, severally and not jointly, consented to participate in the Offer for Sale by way of their respective consent letters as outlined in the table below:

Name of the Selling Shareholders	Number of Offered Shares (up to)	Date of authorisation	Date of consent
AF Holdings	Up to 3,114,660 Equity Shares*	June 20, 2022	June 27, 2022
Prayas Goel	Up to 150,600 Equity Shares	N.A.	June 27, 2022
Prerak Goel	Up to 150,500 Equity Shares	N.A.	June 27, 2022
Namrata Goel	Up to 29,500 Equity Shares	N.A.	June 27, 2022
Nidhi Goel	Up to 31,500 Equity Shares	N.A.	June 27, 2022
Pushpa Goel	Up to 92,420 Equity Shares	N.A.	June 27, 2022

**Assuming conversion of CCPS. The CCPS will be converted by AF Holdings prior to the filing of the Red Herring Prospectus with RoC.*

Our Company has received in – principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Directors associated with securities market

Except for Shiraz Homi Bugwadia, none of our Directors are, in any manner, associated with the securities market. Further, there is no outstanding action initiated by SEBI against any of our Directors in the past five years preceding the date of this Draft Red Herring Prospectus.

Prohibition by SEBI, or other Governmental Authorities

Our Company, the Selling Shareholders, Promoters, members of the Promoter Group, Directors and the persons in control of our Company, are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority or court.

None of the companies with which our Promoter and Directors are associated with as promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by the Board or any other authorities.

Our Company, Promoters or Directors have not been declared as Wilful Defaulters or Fraudulent Borrowers by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters or Fraudulent Borrowers issued by the RBI.

None of our Promoters or Directors have been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoters, members of Promoter Group and the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, as amended to the extent applicable, as on the date of this Draft Red Herring Prospectus.

Eligibility for the Offer

We are an unlisted company that does not satisfy the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations, as set forth below:

"*An issuer not satisfying the condition stipulated in Regulation 6(1) of the SEBI ICDR Regulations shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*"

We are therefore required to allot not less than 75% of the Offer to QIBs to meet the conditions as detailed under Regulation 6(2) of the SEBI ICDR Regulations. In the event we fail to do so, the full application monies shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations.

The status of compliance of our Company with the conditions as specified under Regulations 5 and 7(1) of the SEBI ICDR Regulations are as follows:

(i) Our Company, the Promoters, members of the Promoter Group, the Selling Shareholders and our Directors are not debarred from accessing the capital markets by SEBI;

(ii) The companies with which our Promoters or our Directors are associated as promoter or director are not debarred from accessing the capital markets by SEBI;

(iii) Neither our Company, nor our Promoters or Directors have been identified as a wilful defaulter or fraudulent borrowers (as defined in the SEBI ICDR Regulations);

(iv) None of our Promoters or Directors have been declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018;

(v) Except for the outstanding CCPS which will be converted up to maximum of 2,879,640 Equity Shares, as disclosed in the Capital Structure on page 77, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company as on the date of filing of this Draft Red Herring Prospectus;

(vi) Our Company, along with the Registrar to the Offer, has entered into a tripartite agreement dated June 25, 2022 with NSDL, for dematerialization of the Equity Shares. Our Company, along with the Registrar to the Offer, has also entered into a tripartite agreement dated June 15, 2022 with CDSL, for dematerialization of the Equity Shares;

(vii) The Equity Shares of our Company held by our Promoters and Selling Shareholders are in dematerialised form;

(viii) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares existing as on the date of filing of this Draft Red Herring Prospectus; and

(ix) There is no requirement for us to make firm arrangements of finance under Regulation 7(1)(e) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, as the entire objects of the Offer are proposed to be financed from the Offer proceeds.

Our Company will ensure compliance with the conditions specified in Regulations 7(1) and 7(2) of the SEBI ICDR Regulations, to the extent applicable. Further, our Company shall not make an Allotment if the number of prospective allottees is less than 1,000 in accordance with Regulation 49(1) of the SEBI ICDR Regulations, failing which the entire application monies shall be refunded forthwith in accordance with SEBI ICDR Regulations and other applicable laws. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Each of the Selling Shareholders, severally and not jointly, confirms compliance with Regulation 8 of the SEBI ICDR Regulations. Further, in accordance with Regulation 8A of the SEBI ICDR Regulations; (i) Selling Shareholders holding, individually or with persons acting in concert, more than 20% of pre-Offer shareholding of the Company (on a fully-diluted basis), shall not exceed more than 50% of their respective pre-Offer shareholding (on a fully-diluted basis) and (ii) Selling Shareholders holding, individually or with persons acting in concert, less than 20% of pre-Offer shareholding of the Company (on a fully-diluted basis), shall not exceed more than 10% of the pre-Offer shareholding of the Company (on a fully-diluted basis).

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING DAM CAPITAL ADVISORS LIMITED (FORMERLY IDFC SECURITIES LIMITED) AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR

REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, DAM CAPITAL ADVISORS LIMITED (FORMERLY IDFC SECURITIES LIMITED) AND EQUIRUS CAPITAL PRIVATE LIMITED, HAVE, FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2022, IN THE FORMAT PRESCRIBED UNDER SCHEDULE V (FORM A) OF THE SEBI ICDR REGULATIONS.

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, AS AMENDED OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All applicable legal requirements pertaining to this Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act and at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act.

Disclaimer from our Company, our Directors, BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://www.concordenviro.in/, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and as will be provided for in the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the Bidders and the public at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at the Bidding Centres or elsewhere.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoters, their directors and officers, group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Promoters, and their directors, officers, agents, group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Disclaimer from the Selling Shareholders

The Selling Shareholders accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website https://www.concordenviro.in/, or the respective websites of our Promoter Group or any affiliate of our Company would be doing so at his or her own risk. The Selling Shareholders accept no responsibility for any statements made in this Draft Red Herring Prospectus, other than those specifically made or confirmed by the Selling Shareholders in relation to themselves as a Selling Shareholder and their respective portion of the Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to the Selling Shareholders and their representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations,

guidelines and approvals to acquire the Equity Shares. The Selling Shareholders and their representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

Neither the delivery of this Draft Red Herring Prospectus nor the offer of the Equity Shares in the Offer shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or the Selling Shareholders since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer in respect of Jurisdiction

Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, Maharashtra, India only.

The Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares public financial institutions as specified in Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions,, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, NBFC – SI (systemically important NBFCs registered with the RBI) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs, FCVIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to or purchase Equity Shares offered in the Offer in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction, including India. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform themself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. **No person outside India is eligible to Bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India.**

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus will be filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Eligibility and Transfer Restrictions

The Equity Shares offered in the Offer have not been and will not be registered, listed or otherwise qualified in any jurisdiction except India and may not be offered or sold to persons outside of India except in compliance with the applicable laws of each such jurisdiction. In particular, the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside of the United States in "offshore transactions" as defined in and in reliance on Regulation S under U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

Each purchaser of the Equity Shares in the Offer who does not receive a copy of the preliminary offering memorandum for the Offer shall be deemed to:

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that its Bid did not exceed investment limits or the maximum number of Equity Shares that can be held by it under applicable law.

- Acknowledge that the Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or the laws of any state of the United States and are being offered and sold to it in "offshore transactions" as defined in, and in reliance on, Regulation S.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it was outside the United States (as defined in Regulation S) at the time the offer of the Equity Shares offered in the Offer was made to it and it was outside the United States (as defined in Regulation S) when its buy order for the Equity Shares offered in the Offer was originated.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it did not purchase the Equity Shares offered in the Offer as result of any "directed selling efforts" (as defined in Regulation S).

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that it bought the Equity Shares for investment purposes and not with a view to the distribution thereof. If in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares offered in the Offer, it agrees that it will not offer, sell, pledge or otherwise transfer any of the Equity Shares except in a transaction complying with Rule 903 or Rule 904 of Regulation S or pursuant to any other available exemption from registration requirements under the U.S. Securities Act and in accordance with all applicable securities laws of the states of the United States and any other jurisdiction, including India.

- Agree to indemnify and hold our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations, warranties or agreements. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares purchased in the Offer.

- Represent and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer as fiduciary or agent for one or more investor account(s), it has sole investment discretion with respect to each such account and that it has full power to make the foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

- Represents and warrant to our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) that if it acquired any of the Equity Shares offered in the Offer for one or more managed account(s), that it was authorized in writing by each such managed account to subscribe to the Equity Shares offered in the Offer for each managed account and to make (and it hereby makes) the representations, warranties, acknowledgements and agreements herein for and on behalf of each such account, reading the reference to "it" to include such accounts.

- Acknowledge that our Company, the Selling Shareholders, the BRLMs and the Syndicate Member(s) and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus and the Prospectus prior to the RoC filing.

Listing

The Equity Shares proposed to be issued through the Red Herring Prospectus and the Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all monies received from the applicants in pursuance of

the Red Herring Prospectus, in accordance with applicable law and the Selling Shareholders will be liable to reimburse our Company for any such repayment of monies, on its behalf, with respect to their Offered Shares. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law. Any expense incurred by our Company on behalf of any of the Selling Shareholders with regard to interest on such refunds will be reimbursed by such Selling Shareholder in proportion to its respective portion of the Offered Shares. For the avoidance of doubt, subject to applicable law, a Selling Shareholder shall not be responsible to pay and/or reimburse any expenses towards refund or any interest thereon for any delay, unless such delay has been caused by any act or omission solely and directly attributable to such Selling Shareholder and in any other case the Company shall take on the responsibility to pay interest. It is clarified that such liability of a Selling Shareholder shall be limited to the extent of its respective portion of the Offered Shares.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/ Offer Closing Date or within such other period as may be prescribed. The Selling Shareholders confirm that it shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed. If our Company does not Allot the Equity Shares within six Working Days from the Bid/ Offer Closing Date or within such timeline as prescribed by SEBI, all amounts received in the Public Offer Accounts will be transferred to the Refund Account and it shall be utilised to repay, without interest, all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period, subject to applicable law.

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Banker(s) to the Company, Statutory Auditors, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, International legal counsel to the BRLMs, the BRLMs, the Registrar to the Offer, the Independent Chartered Accountant, the industry data provider, the Project Management Consultant, the lenders of our Company (wherever applicable) and statutory auditors of our material subsidiaries, in their respective capacities, have been obtained and such consents have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus; and consents in writing of the Monitoring Agency, the Syndicate Members, the Banker(s) to the Offer/ Escrow Collection Bank(s)/ Refund Bank(s), Public Offer Account Bank, Sponsor Bank(s), to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus to the RoC.

Expert to the Offer

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

Our Company has received written consent dated June 30, 2022 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report dated June 29, 2022 relating to the Restated Consolidated Financial Information in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The term "experts" and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

Our Company has received written consents dated June 24, 2022 from Vishal Sunil Joshi, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated June 30, 2022 from Shah Khandelwal Jain & Associates, Independent Chartered Accountant, to include its name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountant in respect of their Statement of Special Tax Benefits for our Company and our Material Subsidiary, Rochem Separation Systems (India) Private Limited, dated June 30, 2022, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated June 28, 2022 from Ethics Plus Public Accountants, Dubai, statutory auditors for our Material Subsidiaries, Concord Enviro FZE and Blue Water Trading and Treatment FZE to include its name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as

an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountants in respect of their Statement of Special Tax Benefits dated June 28, 2022, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent dated June 24, 2022 from Parikh and Kulkarni Consulting Engineers Private Limited, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Project Management Consultant in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance *vis-à-vis* objects

Our Company has not made any public or rights issue during the last five years preceding the date of this Draft Red Herring Prospectus.

Particulars regarding capital issues by our Companies and listed group company, subsidiaries or associate entities during the last three years

Other than as disclosed in "*Capital Structure*" on page 77, our Company has not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus, our Company does not have any listed group companies, subsidiaries or associates.

Commission and Brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage by our Company for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares for last five years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of the listed subsidiaries/listed promoter of our Company

As on the date of this Draft Red Herring Prospectus our Company does not have a corporate promoter or a listed subsidiary.

Price information of past issues handled by the BRLMs

A. DAM Capital Advisors Limited (Formerly IDFC Securities Limited)

1. Price *information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:*

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	CMS Info Systems Limited(2)	11,000.00	216.00	December 31, 2021	218.50	+21.99%, [-1.81%]	+25.35%, [+0.74%]	+3.75%, [-8.71%]
2	Metro Brands Limited(2)	13,675.05	500.00	December 22, 2021	436.00	+21.77%, [+4.45%]	+14.57%, [+0.64%]	+7.93%, [-9.78%]
3	C.E. Info Systems Limited(2)	10,396.06	1033.00	December 21, 2021	1,581.00	+70.21%, [+6.71%]	+48.48%, [+2.74%]	+21.40%, [-8.80%]
4	Star Health and Allied Insurance Company Limited(1)	60,186.84	900.00@	December 10, 2021	845.00	-14.78%, [+1.72%]	-29.79%, [-6.66%]	-22.21%, [-6.25%]
5	Go Fashion (India) Limited(1)	10,136.09	690.00	November 30, 2021	1,310.00	+59.75%, [+1.36%]	+32.91%, [-1.91%]	+48.90%, [-3.71%]
6	Krsnaa Diagnostics Limited(1)	12,133.35	954.00*	August 16, 2021	1,005.55	-9.42%, [+4.93%]	-27.73%, [+9.30%]	-32.63%, [+4.90%]
7	Windlas Biotech Limited(2)	4,015.35	460.00	August 16, 2021	439.00	-18.02%, [+4.79%]	-34.42%, [+9.18%]	-37.01%, [+4.62%]
8	Glenmark Life Sciences Limited(2)	15,136.00	720.00	August 6, 2021	751.10	-6.38%, [+7.10%]	-12.94%, [+10.12%]	-20.67%, [+8.45%]
9	Laxmi Organic Industries Limited(1)	6,000.00	130.00	March 25, 2021	155.50	+37.85%, [+0.11%]	+71.96%, [+10.11%]	+294.50%, [+21.45%]
10	Indian Railway Finance Corporation Limited(1)	46,333.79	26.00	January 29, 2021	24.90	-5.19%, [+6.56%]	-18.65%, [+9.02%]	-11.15%, [+15.49%]

Source: www.nseindia.com and www.bseindia.com

* *A discount of INR 93 per equity share was provided to eligible employees bidding in the employee reservation portion.*

@ *A discount of INR 80 per equity share was provided to eligible employees bidding in the employee reservation portion.*

(1) NSE was the designated stock exchange for the said issue.

(2) BSE was the designated stock exchange for the said issue.

Notes:

(a) Issue size derived from prospectus / basis of allotment advertisement, as applicable

(b) Price on NSE or BSE is considered for the above calculations as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable

(c) % of change in closing price on 30th / 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.

(d) Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.

(e) The Nifty 50 or S&P BSE SENSEX index is considered as the benchmark index as per the designated stock exchange disclosed by the respective issuer at the time of the issue, as applicable

(f) Not applicable – Period not completed

2. *Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited:*

Financial Year	Total no. of IPOs	Total funds raised (₹ in millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-23	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2021-22	8	136,678.74	-	-	4	2	-	2	-	2	2	-	1	3
2020-21	3	56,770.65	-	-	1	-	1	1	-	-	1	1	1	-

Source: www.nseindia.com and www.bseindia.com

Notes:

a. The information is as on the date of this offer document
b. The information for each of the financial years is based on issues listed during such financial year.
c. Since 30 or 180 calendar days from listing date has not elapsed for few issues, hence data for same is not available.

B. Equirus Capital Private Limited

1. Price information of past issues handled by Equirus Capital Private Limited

Sr. No.	Issue Name	Issue Size (₹ million)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Antony Waste Handling Cell Limited#	2,999.85	315.00	January 01,2021	430.00	-10.14% [-3.31%]	-22.57% [+3.43%]	+2.22% [+9.78%]
2.	G R Infraprojects Limited#	9,623.34	837.00[1]	July 19, 2021	1700.00	+90.61% [+6.16%]	+138.67% [+16.65%]	+132.16% [+16.50%]
3.	Rolex Rings Limited$	7,310.00	900.00	August 9, 2021	1,250.00	+22.28% [+6.79%]	+31.50% [+10.20%]	+45.24% [+7.74%]
4.	Krsnaa Diagnostics Limited$	12,133.35	954.00[2]	August 16, 2021	1,005.55	-9.42% [+4.93%]	-27.73% [+9.30%]	-32.63% [+4.90%]
5.	Anand Rathi Wealth Limited#	6,593.75	550.00[3]	December 14, 2021	602.05	+12.38% [+5.22%]	+4.46% [-4.42%]	+19.55% [-6.56%]
6.	Metro Brands Limited#	13,675.05	500.00	December 22, 2021	436.00	+21.77% [+4.45%]	+14.57% [+0.64%]	+7.93% [-9.78%]
7.	Prudent Corporate Advisory Services Limited#	4,282.84	630.00[4]	May 20, 2022	660.00	-20.71% [-5.46%]	N.A.	N.A.

Source*: www.bseindia.com and www.nseindia.com for price information and prospectus/basis of allotment for issue details.*
Notes:

1. *A discount of ₹ 42 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of G R Infraprojects Limited IPO*
2. *A discount of ₹ 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Krsnaa Diagnostics Limited IPO*
3. *A discount of ₹ 25 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Anand Rathi Wealth Limited IPO*
4. *A discount of ₹59 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion of Prudent Corporate Advisory Services Limited IPO*
5. *Price on Designated Stock Exchange of the respective Issuer is considered for all of the above calculations.*
6. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
7. *N.A. (Not Applicable) – Period not completed.*

The S&P BSE SENSEX is considered as the Benchmark Index
$ The S&P CNX NIFTY is considered as the Benchmark Index

2. Summary statement of price information of past issues handled by Equirus Capital Private Limited

Financial Year	Total no. of IPOs	Total funds raised (₹ million)	Nos. of IPOs trading at discount as on 30th calendar day from listing date			Nos. of IPOs trading at premium as on 30th calendar day from listing date			Nos. of IPOs trading at discount as on 180th calendar day from listing date			Nos. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2022-2023*	1	4,282.84	-	-	1	-	-	-	-	-	-	-	-	-
2021-2022	5	49,335.49	-	-	1	1	-	3	-	1	-	1	1	2
2020 -2021	1	2,999.85	-	-	1	-	-	-	-	-	-	-	-	1

* *The information is as on the date of this Offer Document.*

The information for each of the financial years is based on issues listed during such financial year.

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, see the website of the BRLMs, as set forth in the table below:

S. No.	Name of BRLMs	Website
1.	DAM Capital Advisors Limited (*Formerly IDFC Securities Limited*)	www.damcapital.in
2.	Equirus Capital Private Limited	www.equirus.com

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus and accordingly, no stock market data is available for the Equity Shares.

Mechanism for Redressal of Investor Grievances

SEBI, by way of its circular dated March 2021 Circular, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its circular dated June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

Per the March 2021 Circular, read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment. The processing fees for applications made by UPI Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, read with the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

Scenario	Compensation amount	Compensation period
Delayed unblock for cancelled / withdrawn / deleted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock

Scenario	Compensation amount	Compensation period
Blocking of multiple amounts for the same Bid made through the UPI Mechanism	1. Instantly revoke the blocked funds other than the original application amount; and 2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher	From the date on which multiple amounts were blocked till the date of actual unblock
Blocking more amount than the Bid Amount	1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount; and 2. ₹100 per day or 15% per annum of the difference amount, whichever is higher	From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock
Delayed unblock for non – Allotted/ partially Allotted applications	₹100 per day or 15% per annum of the Bid Amount, whichever is higher	From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLMs shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.

All grievances, except those of Anchor Investors, in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder. Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

For offer related grievance investors may contact Book Running Lead Managers, details of which are given in "*General Information*" on page 68. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs and Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018 and the March 2021 Circular, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Disposal of Investor Grievances by our Company

Our Company will obtain authentication on the SCORES and will accordingly be in compliance with the SEBI circular (CIR/OIAE/1/2013) dated April 17, 2013, the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 and the SEBI Circular (SEBI/HO/OIAE/IGRD/CIR/P/2021/642) dated October 14, 2021 in relation to redressal of investor grievances through SCORES, immediately after filing the Draft Red Herring Prospectus.

Our Company has not received any investor grievances in the last three years prior to the filing of this Draft Red Herring Prospectus. Further, no investor complaint in relation to our Company is pending as on the date of filing of this Draft Red Herring Prospectus. Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Priyanka Pramod Nayak, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For further details, see "*General Information*" on page 68.

Our Company has also constituted a Stakeholders' Relationship Committee, to review and redress shareholder and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. For further details, see "*Our Management*" on page 193. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

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

As on the date of this Draft Red Herring Prospectus, our Company has not been granted by SEBI, any exemption from complying with any provisions of securities laws.

SECTION VII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being offered and Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the MoA, AoA, Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital, Offer for Sale and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other governmental, statutory or regulatory authority while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. For details in relation to the sharing of Offer expenses, see "*Objects of the Offer*" on page 88.

Ranking of the Equity Shares

The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. The Equity Shares Allotted in the Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, MoA and AoA, and shall rank pari passu with the existing Equity Shares in all respects including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of Articles of Association*" on page 403.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders as per the provisions of the Companies Act, our MoA, AoA, the Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. All dividends, declared by our Company after the date of Allotment (including pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" on pages 214 and 403, respectively.

Face Value, Offer Price and Price Band

The face value of each Equity Share is ₹5 and the Floor Price is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Offer Price is ₹ [●] per Equity Share.

The Offer Pirce, Price Band and the minimum Bid Lot size will be decided by our Company, and the Selling Shareholders in consultation with the BRLMs, and will be advertised, at least two Working Days prior to the Bid/ Offer Opening Date, in [●] editions of [●], an English national daily newspaper and [●] editions of [●], a Hindi national daily newspaper and Mumbai editions of [●], a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located) each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination for the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our AoA, our Shareholders shall have the following rights:

- Right to receive dividends, if declared;

- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or 'e-voting', in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the Listing Regulations, our AoA and other applicable laws.

For a detailed description of the main provisions of the AoA of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of Articles of Association*" on page 403.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. As per the SEBI ICDR Regulations and the Listing Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been entered into amongst our Company, the respective Depositories and Registrar to the Offer:

- Tripartite agreement dated June 25, 2022 amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated June 15, 2022 amongst our Company, CDSL and Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares on the Stock Exchanges shall only be in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For the method of basis of allotment, see "*Offer Procedure*" on page 385.

Joint Holders

Subject to the provisions of our AoA, where two or more persons are registered as the holders of the Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Mumbai, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

Period of operation of subscription list

See "– *Bid/Offer Programme*" on page 378.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination/ cancel nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form which is available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act shall upon the production of such evidence as may be required by the Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective Depository Participant of the Bidder would prevail. If the Bidder wants to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers in which the pre-Offer advertisements were published, within two days of the Bid/ Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed. The BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, in case of UPI Bidders using the UPI Mechanism, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal will be issued in the same newspapers where the pre Offer advertisements have appeared, and the Stock Exchanges will also be informed promptly.

If our Company withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded / unblocked within the time prescribed under applicable law.

Bid/ Offer Programme

BID/ OFFER OPENS ON	[●][(1)]
BID/ OFFER CLOSES ON	**[●]**[(2)(3)]

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date in accordance with the SEBI ICDR Regulations.

(2) Our Company and the Selling Shareholders may, in consultation with the BRLMs, consider closing the Bid/ Offer Period for QIBs one day prior to the Bid/ Offer Closing Date in accordance with the SEBI ICDR Regulations.

(3) UPI mandate end time shall be at 12:00 pm on [●].

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/ Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account*	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

***** *The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

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

The above timetable is indicative and does not constitute any obligation or liability on our Company, the Selling Shareholders or the BRLMs.

While the Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/ Offer Closing Date, or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/ Offer Period by our Company and the Selling Shareholders in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges, and delay in respect of final certificates from SCSBs. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirms that he shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of the Draft Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.

Submission of Bids (other than Bids from Anchor Investors):

Bid/ Offer Period (except the Bid/ Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. IST)
Bid/ Offer Closing Date*	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

* *UPI mandate end time and date shall be at 12.00pm on [●]*

On the Bid/ Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by RIBs.

On Bid/ Offer Closing Date, extension of time will be granted by the Stock Exchanges only for uploading Bids received by Retail Individual Bidders, after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/ Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/ Offer Closing Date, and in any case no later than 1:00 p.m. IST on the Bid/ Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Offer Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids and any revision to the Bids, will be accepted only during Working Days, during the Bid/ Offer Period. Bids will be accepted only during Monday to Friday (excluding any public holiday), during the Bid/Offer period. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public

holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/ Offer Period in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price will not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price, subject to it being at least 105% of the Floor Price.

In case of revision in the Price Band, the Bid/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders in consultation with the BRLMs, for reasons to be recorded in writing, may extend the Bid/ Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the BRLMs and terminals of the Syndicate Members and by intimation to the Designated Intermediaries. In case of revision of price band, the Bid lot shall remain the same.

In case of discrepancy in data entered in the electronic book *vis-à-vis* data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges shall be taken as the final data for the purpose of Allotment.

Minimum Subscription

The requirement of minimum subscription is not applicable to the Offer for Sale in accordance with the SEBI ICDR Regulations. In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within 60 days from the date of Bid/ Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received. In terms of the SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, our Company shall within four days from the closure of the Offer, refund the subscription amount received in case of non – receipt of minimum subscription or in case our Company fails to obtain listing or trading permission from the Stock Exchanges for the Equity Shares. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, the Allotment for the valid Bids will be made in the first instance towards subscription for 100% of the Fresh Issue. If there remain any balance valid Bids in the Offer, the Allotment for the balance valid Bids will be made pro rata towards Equity Shares offered by the Selling Shareholders.

Further, the Selling Shareholders and our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders, and subscription money will be refunded, as applicable. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots since our Equity Shares will be traded in dematerialised form only and market lot for our Equity Shares will be one Equity Share.

Restrictions, if any, on Transfer and Transmission of Equity Shares and on their consolidation or splitting

Except for lock-in of the pre-Offer capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 77, and except as provided under the AoA, there are no restrictions on transfer of the Equity Shares. Further, there are no restrictions on transmission of any shares of our Company and on their consolidation or splitting, except as provided in the AoA. For further details, see "*Description of Equity Shares and terms of Articles of Association*" on page 403.

Option to receive Equity Shares in Dematerialized Form

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

New Financial Instruments

Our Company is not issuing any new financial instruments through this Offer.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares of face value of ₹ 5 each, for cash at a price of ₹ [●] per equity share (including a share premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] million comprising a Fresh Issue of [●] Equity Shares, aggregating up to ₹ 1,750 million by our Company and an Offer for Sale of up to 3,569,180 Equity Shares aggregating up to ₹ [●] million by the Selling Shareholders.

Our Company may, in consultation with the BRLMs, consider a Pre-IPO Placement of Equity Shares aggregating up to ₹ 350 million, prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is undertaken, it will be at an issue price to be decided by our Company and the Selling Shareholders in consultation with the BRLMs and the Fresh Issue size will be reduced to the extent of the quantum of such Pre-IPO Placement undertaken, subject to the Offer (comprising the Fresh Issue so reduced by the amount raised from the Pre-IPO Placement, and the Offer for Sale) complying with rule 19(2)(b) of the SCRR.

In terms of Rule 19 (2) (b) of the SCRR, the Offer is being made through the Book Building Process, in compliance with Regulation 31 of the SEBI ICDR Regulations.

Particulars	QIBs[(1)]	Non-Institutional Bidders	Retail Individual Investors
Number of Equity Shares available for Allotment or allocation[*(2)]	Not less than [●] Equity Shares^	Not more than [●] Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not more than [●] Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer Size available for Allotment or allocation	Not less than 75% of the Offer size shall be available for allocation to QIBs. 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining balance Net QIB Portion. The unsubscribed portion in the Mutual Fund Portion shall be available for allocation to the Net QIB Portion	Not more than 15% of the Offer or the Offer less allocation to QIBs and Retail Individual Investors shall be available for allocation, subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million up to ₹1.00 million; and (b) Two-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations	Not more than 10% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors shall be available for allocation.
Basis of Allotment if respective category is oversubscribed[*]	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a	The Equity Shares available for allocation to Bidders in the Non-Institutional Portion shall be subject to the following: (a) One-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size	Allotment to each Retail Individual Investor shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares shall be allocated on a proportionate basis. For details, see "Offer Procedure" on page 385

Particulars	QIBs[1]	Non-Institutional Bidders	Retail Individual Investors
	proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	more than ₹0.20 million upto ₹1.00 million; and (b) Two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million. Provided that the unsubscribed portion in either of these two sub-categories of Non-Institutional Portion may be allocated to the Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations. The Allotment to each Non-Institutional Investor shall not be less than the minimum application size, subject to availability in the Non-Institutional Portion, and the remainder, if any, shall be allotted on a proportionate basis in accordance with the conditions specified in the SEBI ICDR Regulations.	
Mode of Bid	Through ASBA Process only (except in case of Anchor Investors)		
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter.	Such number of Equity Shares in multiples of [●] Equity Shares such that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, (excluding the QIB Portion) subject to limits applicable to the Bidder	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply[3]	Public financial institutions as specified in section 2 (72) of the Companies Act, scheduled commercial banks, multilateral and bilateral development financial institutions, Mutual Funds, FPIs other than individuals, corporate bodies and family offices, VCFs, AIFs, FVCIs, state industrial development corporation, insurance company registered with IRDAI, provident funds	Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions, societies, trusts, family offices and FPIs who are individuals, corporate bodies and family offices which are re-categorised as Category II FPIs and registered with SEBI.	Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Investors
	with minimum corpus of ₹ 250 million, pension funds with minimum corpus of ₹ 250 million, National Investment Fund set up by the GoI, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs		
Terms of Payment	**In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids(4) **In case of all other Bidders**: Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors), or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form		

* *Assuming full subscription in the Offer.*

^ *Subject to finalisation of the Basis of Allotment.*

(1) Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Offer Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹ 100.00 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹ 100.00 million but up to ₹ 2,500.00 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹ 50.00 million per Anchor Investor, and (iii) in case of allocation above ₹ 2,500.00 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹ 2,500.00 million, and an additional 10 Anchor Investors for every additional ₹ 2,500.00 million or part thereof will be permitted, subject to minimum allotment of ₹ 50.00 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹ 100.00 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors, which price shall be determined by the Company and the Selling Shareholders in consultation with the BRLMs.

(2) Subject to valid Bids being received at or above the Offer Price. This Offer is being made in accordance with Rule 19(2)(b) of the SCRR and Regulation 6(2) of the SEBI ICDR Regulations wherein not less than 75% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors, of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million and upto ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Portion, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price and in accordance with applicable laws. Under-subscription, if any, in the Net QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

(3) In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor pay-in date as indicated in the CAN.

The Bids by FPIs with certain structures as described under "*Offer Procedure - Bids by FPIs*" on page 390 and having same PAN were collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) have been proportionately distributed.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company, in consultation with the Book Running Lead Managers and the Designated Stock Exchange, on a proportionate basis.

OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges, the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders/Applicants; (v) Issuance of CAN and Allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form,) (vii) designated date; (viii) disposal of applications and electronic registration of bids; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds;, (xiii) interest in case of delay in Allotment or refund; and (xiv) disposal of application.

*SEBI vide the UPI Circulars, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by UPI Bidders through intermediaries from January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by UPI Bidders through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. However, given the prevailing uncertainty due to the COVID-19 pandemic, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the UPI Phase II till further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by UPI Bidders ("**UPI Phase III**"), as may be prescribed by SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended by circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 which has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual bidders in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹500,000 shall use the UPI Mechanism. This circular has come into force for initial public offers opening on or after May 1, 2022and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. The BRLMs shall be the nodal entity for any issues arising out of public issuance process.*

In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI

Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, has reduced the timelines for refund of Application money to four days.

Our Company, the Selling Shareholders, the BRLMs and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the SEBI ICDR Regulations, through the Book Building Process in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be available for allocation to QIBs on a proportionate basis, provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price. In case of under-subscription or non-allocation in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. If at least 75% of the Offer cannot be Allotted to QIBs, the entire application money will be refunded forthwith. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Investors of which one-third of the Non-Institutional Portion shall be available for allocation to Bidders with an application size more than ₹0.20 million and up to ₹1.00 million and two-thirds of the Non-Institutional Portion shall be available for allocation to Bidders with an application size of more than ₹1.00 million and under-subscription in either of these two sub-categories of Non-Institutional Portion in accordance with SEBI ICDR Regulations may be allocated to Bidders in the other sub-category of Non-Institutional Portion. Further, not more than 10% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Our Company, in consultation with the BRLMs, may consider a Pre-IPO Placement. If the Pre-IPO Placement is completed, the amount raised pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. The Pre-IPO Placement shall not exceed 20% of the Fresh Issue.

Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the Net QIB Portion, will not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialised subsequent to Allotment of the Equity Shares in the IPO.

Investors must ensure that their PAN is linked with Aadhaar and are in compliance with CBDT notification dated February 13, 2020 and press release dated June 25, 2021.

Phased implementation of UPI for Bids by RIBs as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of, *inter alia*, equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019. Under this phase, submission of the ASBA Form without UPI by RIBs to Designated Intermediaries (other than SCSBs) for blocking of funds will be discontinued. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. Further, pursuant to SEBI circular dated March 30, 2020, this phase has been extended till further notice.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

Pursuant to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 issued by SEBI, as amended by the SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated April 20, 2022 (the "**UPI Streamlining Circular**"), SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Streaming Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in all editions of [●], a widely circulated English national daily newspaper; (ii) all editions of [●], a Hindi national daily newspaper; and (iii) Mumbai editions of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located), on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using UPI. Our Company will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Bidders using the UPI.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges, and the BRLMs.

Electronic registration of Bids

a) The Designated Intermediary could register the Bids using the online facilities of the Stock Exchanges. The Designated Intermediaries could also set up facilities for off-line electronic registration of Bids, subject to the condition that they would subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the Offer;

b) On the Bid/Offer Closing Date, the Designated Intermediaries were required to upload the Bids till such time as was permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus; and

c) Only Bids that were uploaded on the Stock Exchanges Platform will be considered for allocation/Allotment. The Designated Intermediaries were given till 1:00 p.m. IST on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchanges' Platform during the Bid/Offer Period after which the Stock Exchange(s) sent the bid information to the Registrar to the Offer for further processing.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) at least one day prior to the Bid/ Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. UPI Bidders are mandatorily required to use the UPI Mechanism for submitting their bids to Designated Intermediaries and are allowed to use ASBA Process by way of ASBA Forms to submit their bids directly to SCSBs. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (including Bidders using UPI Mechanism) must provide bank account details and authorisation to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected or the UPI ID, as applicable, in the relevant space provided in the ASBA Form. Applications made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. UPI Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable, at the time of submitting the Bid. In order to ensure timely information to Bidders, SCSBs are required to send SMS alerts to investors intimating them about Bid Amounts blocked/ unblocked.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs, FVCIs, FPIs, and registered bilateral and multilateral institutions applying on a repatriation basis	Blue
Anchor Investors	White

* *Excluding electronic Bid cum Application Forms*

Notes:

(1) Electronic Bid cum Application forms and the abridged prospectus will also be available for download on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com).

(2) Bid cum Application Forms for Anchor Investors shall be available at the offices of the BRLMs.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges. For UPI Bidders using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to UPI Bidders for blocking of funds. For ASBA Forms (other than RIBs) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI mandate request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI mandate requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/Offer Closing Date ("**Cut-Off Time**"). Accordingly, UPI Bidders Bidding using through the UPI Mechanism should accept UPI mandate requests for blocking off funds prior to the Cut-Off Time and all pending UPI mandate requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate UPI Bidders (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions / investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts for mandate block and unblock including details specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on a daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after

every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

The Sponsor Banks shall host a web portal for intermediaries (closed user group) from the date of Bid/Offer Opening Date till

the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer Bidding process.

Participation by Promoters and Promoter Group of the Company, the BRLMs and the Syndicate Members and persons related to Promoters/Promoter Group/ the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including the respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither (i) the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs or AIFs sponsored by the entities which are associates of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) nor; (ii) any "person related to the Promoters / Promoter Group" shall apply in the Offer under the Anchor Investor Portion.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoters or Promoter Group": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group; (b) veto rights; or (c) right to appoint any nominee director on our Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

The Promoters and the members of the Promoter Group will not participate in the Offer, except to the extent of the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its Net Asset Value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) to block their Non- Resident External ("**NRE**") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their respective SCSB to block their Non-Resident Ordinary ("NRO") accounts or confirm or accept the UPI mandate request (in case of UPI Bidders using the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the

Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour). Participation by Eligible NRIs in the Offer shall be subject to the FEMA Rules. Only Bids accompanied by payment in Indian rupees or fully converted foreign exchange will be considered for Allotment.

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

Bids by HUFs

Bids by Hindu Undivided Families or HUFs, are required to be made in the individual name of the *karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

Bids by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, the investment in Equity Shares by a single FPI or an investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital (on a fully diluted basis). Further, in terms of the FEMA Rules, the total holding by each FPI or an investor group shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together with effect from April 1, 2020, can be up to 100%. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar to the Offer shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

A FPI may purchase or sell equity shares of an Indian company which is listed or to be listed on a recognized stock exchange in India, and/ or may purchase or sell securities other than equity instruments.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Non-debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only if it complies with the following conditions: (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms as specified by SEBI; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (i) to (iv)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

In case the total holding of an FPI increases beyond 10% of the total paid-up Equity Share capital, 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 issued that may be issued by our Company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi-investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

The FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for non-residents.

Further, Bids received from FPIs bearing the same PAN will be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants which were issued in November 2019 to facilitate implementation of SEBI (Foreign Portfolio Investors) Regulations, 2019 (such structure "**MIM Structure**") provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, were required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure and indicate the names of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids will be rejected.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs or FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offering.

Category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than one-third of its investible funds by way of subscription to an initial public offering of a venture capital undertaking whose shares are proposed to be listed. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Our Company, the Selling Shareholders, or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**") and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended, is 10% of the paid-up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the investee company's paid up share capital and reserves. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company. The bank is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in excess of 30% of the paid-up share capital of the investee company, (ii) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and (iii) investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars (Nos. CIR/CFD/DIL/12/2012 and CIR/CFD/DIL/1/2013) dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 as amended are broadly set forth below:

(a) equity shares of a company: the lower of 10%[*] of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of `500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserves the right to reject any Bid, without assigning any reason thereof.

Bids under power of attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, NBFC-SI, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹ 250 million (subject to applicable law) and pension funds with a minimum corpus of ₹ 250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with the BRLMs reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholders in consultation with the BRLMs in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company and the Selling Shareholders in consultation with the BRLMs may deem fit.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important NBFCs, are required to be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

Bids by Anchor Investors

In accordance with the SEBI Regulations, the key terms for participation by Anchor Investors are provided below:

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

5) Our Company and the Selling Shareholders, in consultation with the BRLMs will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum

of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) 50% Equity Shares allotted to Anchor Investors shall be locked–in for a period of 90 days from the date of Allotment, whereas, the remaining 50% shall be locked-in for a period of 30 days from the date of Allotment.

10) Neither the (a) the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) nor (b) the Promoters, Promoter Group or any person related to the Promoters or members of the Promoter Group shall apply under the Anchor Investors category. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

In accordance with existing regulations issued by the RBI, OCBs cannot participate in the Offer.

Information for Bidders

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders, and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

General Instructions

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Investors must ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes notification dated February 13, 2020 and press release dated June 25, 2021.

2. Check if you are eligible to apply as per the terms of this Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

3. Ensure that you have Bid within the Price Band;

4. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

5. Ensure that you (other than Anchor Investors) have mentioned the correct ASBA Account number if you are not a UPI Bidder bidding using the UPI Mechanism in the Bid cum Application Form and if you are a UPI Bidder using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

6. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. UPI Bidders using UPI Mechanism, may submit their ASBA Forms with Syndicate Members, Registered Brokers, RTAs or CDPs and should ensure that the ASBA Form contains the stamp of such Designated Intermediary;

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB, before submitting the ASBA Form to any of the Designated Intermediaries;

8. In case of joint Bids, ensure that first Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the first Bidder is included in the Bid cum Application Form;

9. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

10. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms. PAN of the First Bidder is required to be specified in case of joint Bids;

12. RIBs bidding in the Offer to ensure that they shall use only their own ASBA Account or only their own bank account linked UPI ID which is UPI 2.0 certified by NPCI (only for UPI Bidders using the UPI Mechanism) to make an application in the Offer and not ASBA Account or bank account linked UPI ID of any third party;

13. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. UPI Bidders not using the UPI Mechanism, should submit their Bid cum Application Form directly with SCSBs and not with any other Designated Intermediary;

15. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of UPI Bidders submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

16. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

17. Ensure that the Demographic Details are updated, true and correct in all respects;

18. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

19. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

20. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

21. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

22. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, PAN and UPI ID, if applicable, available in the Depository database;

23. Ensure that when applying in the Offer using UPI, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer is also appearing in the "list of mobile applications for using UPI in public issues" displayed on the SEBI website and is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

24. UPI Bidders who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

25. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

26. RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

27. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs;

28. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected; and

29. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and UPI Bidders bidding using the UPI Mechanism) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;

2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;

3. Do not Bid for a Bid Amount exceeding ₹ 200,000 (for Bids by Retail Individual Bidders);

4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);

7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

8. Do not submit the Bid for an amount more than funds available in your ASBA account.

9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;

10. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;

11. If you are a UPI Bidder and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;

12. Anchor Investors should not Bid through the ASBA process;

13. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;

14. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

15. Do not submit the General Index Register (GIR) number instead of the PAN;

16. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

17. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

18. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

19. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;

20. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;

21. If you are a QIB, do not submit your Bid after 3:00 pm on the QIB Bid/Offer Closing Date;

22. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

23. Do not Bid for Equity Shares in excess of what is specified for each category;

24. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for, exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

25. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder. Retail Individual Bidders can revise or withdraw their Bids on or before the Bid/ Offer Closing Date;

26. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

27. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

28. Do not Bid if you are an OCB;

29. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by UPI Bidders using the UPI Mechanism;

30. Do not submit more than one Bid cum Application Form for each UPI ID in case of UPI Bidders Bidding using the UPI Mechanism;

31. Do not submit a Bid cum Application Form with a third party UPI ID or using a third party bank account (in case of Bids submitted by UPI Bidders using the UPI Mechanism); and

32. UPI Bidders Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out to our Company Secretary and Compliance Officer. For further details of Company Secretary and Compliance Officer, see "*General Information*" on page 68.

For details of grounds for technical rejections of a Bid cum Application Form, please see the General Information Document.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. Further, helpline details of the BRLMs pursuant to the SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 see, *"General Information – Details of the Book Running Lead Managers"* on page 69.

Names of entities responsible for finalising the basis of allotment in a fair and proper manner

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar to the Offer, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

Method of allotment as may be prescribed by SEBI from time to time

Our Company will not make any allotment in excess of the Equity Shares offered through the Offer Document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The allotment of Equity Shares to applicants other than to the Retail Individual Bidders, non-institutional investors, and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Bidders and the Non-Institutional Investors shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion and the Non-Institutional Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis. Further, not more than 15% of the Offer shall be available for allocation to Non-Institutional Bidders (out of which one third shall be reserved for Bidders with Bids exceeding ₹ 0.20 million up to ₹1million and two-thirds shall be reserved for Bidders with Bids exceeding ₹1 million and under-subscription in either of these two sub-categories of Non-Institutional Portion may be allocated to Bidders in the other sub-category of Non-Institutional Portion in accordance with SEBI ICDR Regulations). Further, the allocation to each Non-Institutional Investor shall not be less than ₹ 200,000, subject to availability of Equity Shares in the Non-Institutional Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Selling Shareholders in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi also being the regional language of Maharashtra, where our Registered and Corporate Office is located).

In the pre-Offer advertisement, we shall state the Bid/ Offer Opening Date, the Bid/ Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Allotment Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish an allotment advertisement before commencement of trading, disclosing the date of commencement of trading in: (i) [●] editions of [●], a widely circulated English national daily newspaper; (ii) [●] editions of [●], a Hindi national daily newspaper; and (iii) Mumbai edition of [●], a widely circulated Marathi daily newspaper, Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located).

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who:

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.

- the complaints received in respect of the Offer 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 the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/ Offer Closing Date or such other period as may be prescribed;
- if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, the SEBI ICDR Regulations and applicable law for the delayed period;
- it shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- Promoter's contribution, if any, shall be brought in advance before the Bid/ Offer Opening Date and the balance, if any, shall be brought in on a pro rata basis before calls are made on the Allottees;
- that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- that if our Company and the Selling Shareholders, in consultation with the BRLMs withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;
- except for (i) the Pre-IPO Placement, no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

The Selling Shareholders, severally and not jointly, undertake that:

- the Equity Shares offered for sale by the Selling Shareholders are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations, are fully paid-up and are in dematerialised form;
- They shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to the Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer;
- They are the legal and beneficial owner of, and has clear and marketable title to, the Equity Shares which are offered by him pursuant to the Offer for Sale;
- They shall not have recourse to the proceeds of the Offer, which shall be held in escrow in his favour, until final approval for trading of the Equity Shares from the Stock Exchanges where listing is sought has been received;
- They shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Equity Shares offered by him pursuant to the Offer; and
- They shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by him and being offered pursuant to the Offer.

- The decisions with respect to the Price Band will be taken by our Company and the Selling Shareholders, in consultation with the BRLMs, and decisions with respect to the minimum Bid lot and the Offer Price will be taken by our Company, in consultation with the BRLMs.

Utilisation of Offer Proceeds

All monies received out of the Fresh Issue component of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act.

Details of all utilised monies out of the Fresh Issue shall be disclosed and continued to be disclosed till any part of the proceeds of the Fresh Issue remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised or invested.

Details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as Department of Industrial Policy and Promotion*) ("**DPIIT**"), issued the FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions. For further details, see "*Key Regulations and Policies*" on page 175.

Under the current FDI Policy, 100% foreign direct investment is permitted in manufacturing sector, under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy 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 the SEBI/RBI. For further details of the aggregate limit for investments by NRIs and FPIs in our Company, see "*Offer Procedure – Bids by Eligible NRIs*" and "*Offer Procedure – Bids by FPIs*" on pages 389 and 390, respectively.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. For further details, see "*Offer Procedure*" on page 385.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-Debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government of India, as prescribed in the FDI Policy and the FEMA Non-Debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made similar amendment to the FEMA Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period.

SECTION VIII – DESCRIPTION OF EQUITY SHARES AND TERMS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise two parts, Part A and Part B. Till the time of listing and trading of the Equity Shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, Part A and Part B shall, unless the context otherwise requires, co-exist with each other. Notwithstanding anything contained herein, in the event of any conflict between the provisions of Part A and Part B of these Articles, the provisions of Parts B of these Articles shall prevail. Upon the commencement of listing and trading of the Equity Shares of the Company on any recognised stock exchange in India pursuant to an initial public offering of the Equity Shares of the Company, Part B shall automatically stand deleted, not have any force and be deemed to be removed from the Articles of Association and the provisions of the Part A shall automatically come in effect and be in force, without any further corporate or other action by the Company, directors, or its shareholders.

PART A

I - APPLICABILITY OF TABLE F

1. The regulations as contained in Tables F of Schedule I of Companies Act 2013 shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

II - DEFINITION AND INTERPRETATION

2. **Definitions and Interpretation**

2.1. **Definition. In these Articles:**

(a) "**Act**" means the (Indian) Companies Act, 2013 the rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.

(b) "**Articles**" or "**these Articles**" means the Articles of Association of the Company, as amended from time to time.

(c) "**Associate Company**" shall have the meaning ascribed to it in Section 2(6) of the Companies Act, 2013.

(d) "**Board**" or the "**Board of Directors**" means the board of directors of the Company as constituted from time to time.

(e) "**Business**" means the business of providing environmental engineering solutions with focus on wastewater treatment and recycling, desalination and industrial solid waste management.

(f) "**Business Day**" means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and Mauritius, in the context of a payment being made to or from a bank in a place other than Mumbai, India or Mauritius, in such other place;

(g) "**Company**" means CONCORD ENVIRO SYSTEMS LIMITED.

(h) "**Corporate Action Event**" means any share split, bonus issue, stock dividend, consolidation, recapitalization or recombination affecting the Equity Securities and any other transaction having the effect of any of the foregoing.

(i) "**Director**" means a director on the Board from time to time.

(j) "**Employees Stock Option Plan**" or "**ESOP**" means any employee stock option plan as formulated by the Company and approved by the Board of the Company and applicable, inter alia, to the employees and to such other persons as are eligible, under applicable Law to receive such options. .

(k) "**Equity Securities**" means Equity Shares, preference shares, or any other security in the share capital of the Company, debentures or any note or debt security having or containing equity or profit participation features, or any option, warrant or other security or right which is directly or indirectly convertible into or exercisable or exchangeable for Equity Shares of the Company.

(l) "**Equity Shares**" means the equity shares in the issued, subscribed and paid up equity share capital of the Company.

(m) "**Financial Year**" means the financial year of the Company, commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year.

(n) "**Government**" or "**Governmental Authority**" means any government, statutory authority, any department, agency or instrumentality of any government, any court, tribunal or arbitral tribunal, board and the governing body of any securities exchange or Stock Exchange(s).

(o) "**Indian GAAP**" means the Indian generally accepted accounting principles, consistently applied.

(p) "**INR**" means Indian Rupees, the currency and legal tender of the Republic of India, for the time being in force.

(q) "**Investor**" shall mean AF Holdings.

(r) "**Investor Nominee Director**" shall have the meaning ascribed to such term in Article 20.1.

(s) "**IPO**" means the initial public offering and listing of the Equity Shares of the Company on any Stock Exchange(s)

(t) "**Law**" shall include all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, guidelines, policies, directions, directives and orders of any Government, and applicable international treaties and regulations, in force at the relevant time.

(u) "**Listing Date**" means the date of listing of the Equity Shares on a recognized stock exchange.

(v) "**Memorandum**" means the memorandum of association of the Company as originally framed or altered from time to time in accordance with the Agreement, the Subscription Agreement and the Act.

(w) "**Month**" means English calendar month.

(x) "**Office**" means the Registered Office for time being of the Company.

(y) "**Person**" shall include an individual, proprietorship, Hindu undivided family, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.

(z) "**Promoters**" shall mean Mr. Prayas Goel and Mr. Prerak Goel.

(aa) "**Proxy**" includes Attorney duly constituted under a Power of Attorney.

(bb) "**Relative**" shall have the meaning ascribed to such term in Section 2 (77) of the Act.

(cc) "**Related Party(ies)**" shall have the meaning ascribed to such term as defined in Section 2 (76) of the Act.

(dd) "**Rules**" means any rule(s) made pursuant to section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make rules, and shall include such rules as may be enacted, re-enacted or amended from time to time.

(ee) "**Seal**" means the Common Seal of Company.

(ff) "**SEBI**" shall mean the Securities and Exchange Board of India, a body established under the provisions of the Securities and Exchange Board of India Act, 1992.

(gg) "**SEBI Regulations**" means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended or reenacted from time to time, including any rules or circulars issued thereunder.

(hh) "**Shareholder**" means the duly registered holder from time to time of the Equity Securities of the Company.

(ii) "**Stock Exchange**" means the National Stock Exchange, the BSE Limited or such other stock exchange approved by the Board.

(jj) "**Subsidiaries**" means the subsidiaries of the Company.

(kk) "**Tax**" or "**Taxation**" means , to the extent applicable, all forms of taxation, duties, levies imposts and social security charges, present and future, whether direct or indirect including without limitation corporate income

tax, wage withholding tax, value added tax, customs and excise duties, capital gains tax, dividend withholding tax, dividend distribution tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local Law or regulation and levied by any Governmental Authority; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.

(ll) "**Transfer**" (including the terms "**Transferred by**", "**Transferring**" and "**Transferability**") means to directly or indirectly transfer, sell, assign, exchange, gift, dispose of in any manner, or subject to any Encumbrance, whether or not voluntarily, and whether by operation of law or otherwise.

2.2. **Interpretation**

(a) "In writing and Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

(b) Words importing the singular number include the plural number and vice versa.

(c) Words importing the masculine gender include the feminine gender.

(d) Reference to a Party shall include, such Party's legal heirs, executors, administrators, successors and permitted assigns and any Persons deriving title under it, as applicable.

(e) References to the shareholding of any Shareholder in the Company shall (a) refer to the shareholding of such Shareholder computed on a Fully Diluted Basis, and (b) include the shareholding of such Shareholder's Affiliates holding any shares in the Company, if any.

(f) The terms "hereto", "hereof," "herein," "hereby" and derivative or similar words refer to these Articles and not to any particular clause, article or section of the Articles.

(g) The word "including" herein shall always mean "including, without limitation".

(h) The phrases "ordinary course of business" and "ordinary course of business consistent with past practice" refer to the business and practice of the Company as conducted prior date of execution of the Agreement;

(i) Whenever the Articles refer to a number of days, such number shall refer to calendar days, unless specifically provided otherwise.

(j) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under Indian GAAP.

(k) Headings and captions are used for convenience only and shall not affect the interpretation of these Articles.

(l) Unless the context otherwise requires, words and expression used in these presents shall bear the same meaning as in the Act, or any statutory modification thereof in force at the date when these regulation become binding on the Company.

III - PUBLIC COMPANY

3. **Public Company**

3.1. The Company is a public company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly:

"public company" means a company which-

(a) is not a private company and

(b) has a minimum paid-up share capital as may be prescribed

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

3.2. The Company may at any time convert itself into a private company within the meaning of and subject to the provisions of the Act and Rules made thereunder.

IV - SHARE CAPITAL

4. **Share Capital**

4.1. **Authorised Capital**. The Authorised Share Capital of the Company is Rs. 42,50,00,000 (Indian Rupees Forty Two Crores Fifty Lakhs) divided into 4,00,00,000 (Four Crores) Equity Shares of INR 5 (Indian Rupees Five) each and 2,25,000 (Two Lakhs Twenty Five Thousand) Preference shares of INR 1000 (Indian Rupees Thousand) each. The Company shall have the power to alter its share capital to the extent permissible under the Act including to increase or reduce the capital, to divide the share in capital for the time being into several class and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or any condition as may be determined in such manner as may be permitted by the Act or by these Articles and to consolidate or sub-divide the shares and to vary, modify for abrogate such rights, privileges, or conditions in such manner as may for the time being be permitted by the Act or these Articles. The Board shall have power to classify or reclassify the shares into different types.

4.2. **Alteration of Capital**. The Company may from time to time change the structure of the capital, alter in any way the conditions of its memorandum relating to capital in accordance with the provisions of section 61 of the Companies Act, 2013 for all or any of the following purposes:

a. To increase its authorised share capital by such amount as it thinks expedient;

b. To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

c. To convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

d. To sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any unpaid, on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

e. To cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of the capital of the Company within the meaning of the Act.

4.3. **Kinds of Share Capital**. The Company may issue different kinds of Shares in accordance with these Articles and applicable provisions of the Act and Rules including shares with differential rights as to dividend, voting or otherwise in accordance with the Act and the Rules.

4.4. **Reduction**. The Company may (subject to the provisions of Sections 55 of the Act) from time to time, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

(a) Its share capital;

(b) Any capital redemption reserve account; or

(c) Any share premium account.

4.5. Variation of Members rights. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the term of issue of the shares of that class) may, subject to the provisions of the Act and the applicable Rules, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than ¾ (three-fourth) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

V - ISSUE AND ALLOTMENT OF SECURITIES

5. **Further Issue of securities:**

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days, or such lesser number of days as may be prescribed, and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the aforesaid offer be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any Persons, if it is authorised by a special resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, at such price as may be determined in accordance with Law, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.

(b) The notice referred to in (a) (i) above shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

(d) Notwithstanding anything contained (c) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the competent authority which shall after hearing the company and the Government pass such order as it deems fit.

(e) Where the Government has, by an order made under sub-clause (d), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the competent authority under (d) above or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(f) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

6. **Private Placement of Securities**. The Company may in accordance with provisions of the Act and the applicable Rules, issue further securities by way of a private placement of its securities.

7. **Power to Issue Redeemable Preference Shares**. Subject to and in accordance with the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014, and subject to the provisions on which any Shares may have

been issued, the Company shall have the power to issue preference Shares which are, or at the option of Company, liable to be redeemed within a period not exceeding 20 (twenty) years from the date of their issue, and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

8. Subject to the provisions of these Articles, the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such person on such term and conditions and at such time as Directors think fit.

9. **Bonus Shares**: The Company is hereby permitted to issue fully paid-up bonus shares to its members in the manner as set out in Section 63 of the Act and Companies (Share Capital and Debentures) Rules, 2014. Bonus shares may be issued in lieu of dividends.

10. **Buy- back of Shares**: The Company is hereby permitted to purchase its own Shares or other specified Securities in accordance with the provision of Sections 68, 69 and 70 of the Companies Act, 2013 and other applicable provisions and applicable Rules. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares or securities so bought back.

The Company may pay commission (whether absolute or conditional) to any person in connection with the subscription or procurement of subscription to its Securities, as may be determined by the Board.

11. **Shares at the Disposal of the Board of Directors**

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit, to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the Shareholders' Meeting.

VI - CALLS ON SHARES / DEBENTURES

12. **Calls on Shares/Debentures**

12.1. The Board of Director may subject to the provisions of Section 49 of the Act from time to time to make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each members shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by installments.

12.2. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed.

12.3. Joint-holder of shares shall be jointly as well as severally liable for calls made on shares held by them.

12.4. No call shall exceed one fourth of the nominal amount of a share and be made payable within one month after the last preceding call was payable.

12.5. Not less than fourteen days' notice on any call shall be given specifying the time and place of payment and to whom such call be paid.

12.6. The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the monies uncalled upon any shares held by him even if no part of the amount is called up, and upon all or any of the monies so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding 12% per annum without the sanction of the Company in the general meeting) as may be agreed upon between the member paying the sum in advance and the Board. Moneys paid in advance of calls shall not, in respect thereof, confer a right to vote or to dividend or to participate in profits. The Directors may at any time repay the amount so advanced upon giving to such member 3 (three) Months' notice in writing. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

13. **Payment in anticipation of call may carry interest**

(a) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon in accordance with the provisions of the Act, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

VII - SECURITIES CERTIFICATE

14. **Securities Certificate**

14.1. The Company shall issue its securities in dematerialized form.

14.2. Unless the conditions of issue of any shares or debentures provide otherwise, the Company shall, within (i) 2 (two) Months after the allotment of any of its shares; (ii) within 1 (one) Month from the date of receipt of transfer request from the Depository Participant or, as the case may be, of the intimation of transmission,. credit the shares to the holders demat accounts as the case may be in accordance with the provisions of the applicable laws for the time being in force.

14.3. In case the law permits issue physical issue of shares, every certificate shall be under the Seal of the Company and shall specify the share to which it relates and amount paid thereon, and shall bear signature of at least two directors of the Company, and the secretary of the company or any person authorized by the Board of Directors in this regard.

(a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, within a period of 30 days from the receipt of such lodgement. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof In this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

14.4. In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery and certificate for all securities to one of several joint shall be sufficient delivery to all such security holders.

14.5. The Company shall observe rules and conditions as may be prescribed under the Act and the Companies (Shares and Debentures) Rules, 2014 for renewal of security certificates or issue of duplicate security certificates.

VIII - FORFEITURE OF SHARES

15. **Forfeiture of Shares**

15.1. If a member fails to pay any call within the time allowed by the Board of Directors at the time of making a call or subsequently, the Board may issue final notice naming a further date (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and if the calls remain unpaid till then, the shares may be subject to forfeiture without further notice. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

15.2. Forfeited shares may be restored to the holder thereof on payment of the call money in full, before the forfeited shares are sold to other member of members of the Company or otherwise disposed of.

15.3. Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to existing members or to any other person upon such terms and conditions and in such manner as the Board shall think fit.

15.4. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture, be liable to pay to the Company all moneys, which at the time of forfeiture were presently payable by him to the Company in respect of the share.

15.5. The Company may receive the consideration, if any, given for the shares on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transfer thereupon shall be registered as the holder share shares.

15.6. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable Law.

IX - TRANSFER OF SHARES

16. **General:** A common form of transfer should be used.

16.1. **Director's powers to refuse to register a transfer**. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

16.2. **Instrument of Transfer**

(a) The instrument of transfer of any Share shall be in writing and all the provisions of the Act shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply. The Company shall cause to be kept a register and index of members / beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch register of beneficial owners / Register of Members, resident in that State or Country. The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Securityholders for the purposes of these Articles.

(b) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

X - TRANSMISSION OF SHARES/ DEBENTURE

17. **Transmission of Shares/Debentures**

17.1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or the heir of the deceased or his legal representative shall be the persons recognized by the Company as having any title or interest in the shares/ debentures.

17.2. Nothing in these Articles, shall release the estate of a deceased joint holder from any liability in respect of any share/debenture which has been jointly held by him with other persons.

17.3. Any heir or successor being owner of the shares in consequence of the death of the member, upon such evidence being produced as may properly be required by the Board elect either (i) to register his or their names as the holders of the shares or (ii) to make arrangement to transfer of shares in the way as the deceased member could have made in accordance with the transfer clause of these Articles.

17.4. If the person or persons aforesaid shall elect to transfer the shares, he shall testify his election by executing a transfer of the share, in conformity with the transfer clause of these Articles.

17.5. A person becoming holder of share on such transmission, shall become member of the Company entitled to the same dividends and advantages as his predecessors would have otherwise enjoyed, but if he be a minor, lunatic or insolvent, he shall have no voting right.

17.6. The person so becoming entitled and willing to elect to be registered holder of the share shall deliver or send to the Company a notice in writing stating that he so elects.

17.7. The Board shall register his name in place of the deceased member.

17.8. If the persons aforesaid fails to elect either to be registered himself to transfer the share, the Board on having confirmation of the event of the death of the member shall serve a notice to person asking him to comply with the requirement within three months of the issue of the notice failing which Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share.

17.9. If nothing is done within three months, the Company shall issue a notice in the local newspaper asking the legal heirs or the legal representative of the deceased member whether to be registered as shareholders or to transfer the said shares in conformity with these Article three months thereafter, and if nothing is done within the said period, the shares shall be liable to forfeiture and the forfeiture clause of these Articles shall prevail. The forfeited shares may be re-issued to the member at the called up value of the shares and forfeited amount be transferred to the Capital Reserve Account or dealt with as the Board of Directors shall think fit.

17.10. The Company shall have a first and paramount lien on (i) every share, not being a fully paid share, for all moneys, whether presently payable or not, called or payable in respect of the share and (ii) on all shares, not being fully paid shares, standing in the name of any person, for all moneys, presently payable by him, provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of the clause.

17.11. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

17.12. For the purpose of enforcing such lien as aforesaid the Directors may sell the Shares subject thereto in such manner as they shall think fit, but no sale shall be made:

(a) Unless a sum in respect of which the lien exists is presently payable; and

(b) Until the expiration of seven days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists and as is presently payable, has been given to the registered holder for the time being of the Share or to the person entitled thereto by transmission, and default shall have been made by him in payment of the sum payable as aforesaid for seven days after such notice.

The residue, if any, shall be paid to the person entitled by transmission to the shares so sold at the date of the sale.

17.13. The fully paid up Shares shall be free from all lien and in the case of partly paid up Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.

18. **COMPANY'S LIEN:**

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that

in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

XI - GENERAL MEETING

19. **General Meeting**

19.1. An annual general meeting of the Shareholders of the Company shall be held within six (6) months of the end of each financial year of the Company subject to any extension provided by the registrar of companies. Subject to the foregoing, the Board or the Parties may convene an extraordinary general meeting of the Shareholders of the Company whenever they deem appropriate.

19.2. At least Twenty-one (21) days prior written notice of every general meeting of members shall be given to all Shareholders whose names appear on the register of members of the Company. A general meeting may be called after giving shorter notice than that specified above if consent, in writing or by electronic mode, is accorded thereto —

(i) in the case of an annual general meeting, by not less than ninty-five per cent. of the members entitled to vote thereat; and

(ii) in the case of any other general meeting, by members of the company majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or

19.3. The notice of each general meeting of Shareholders shall include an agenda setting out the place, date and time and business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the general meeting and not business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.

19.4. The Chairman of a general meeting of the Company shall not have any second or casting vote. The Chairman of the Board shall be the Chairman for all general meetings.

19.5. Any shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such shareholder's behalf, provided that the power given to such proxy must be in writing.

19.6. **Quorum**. The quorum for a general Meeting of the Shareholders, shall be as provided under the Act

XII - DIRECTORS

20. **Directors**

20.1. The Investor shall have the right to nominate and appoint (a) 2 (two) nominee Directors on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of the Investor is above or equal to, but does not fall below 10.00% (ten per cent) of the total paid-up share capital of the Company, on a fully diluted basis, and (b) 1 (one) nominee Director on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of the Investor is less 10% (ten per cent), but does not fall below 5.00% (five per cent) of the total paid-up share capital of the Company, on a fully diluted basis (such nominee directors hereinafter referred to as "**Investor Nominee Director(s)**").

Provided further that the right to appoint the Investor Nominee Director(s) shall be subject to the approval of the shareholders of the Company by way of a special resolution , in the first general meeting of the shareholders which is convened after the Listing Date.

The Promoters shall have the right to nominate and appoint (a) 3 (three) nominee Directors on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the aggregate shareholding of the Promoters is above or equal to, but does not fall below 10.00% (ten per cent) of the total paid-up share capital of the Company, on a fully diluted basis, and (b) 1 (one) nominee Director on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the aggregate shareholding of the Promoters is less 10% (ten per cent), but does not fall below 5.00% (five per cent) of the total paid-up share capital of the Company, on a fully diluted basis (such nominee directors hereinafter referred to as "**Promoter Nominee Director(s)**").

Provided further that the right to appoint the Promoter Nominee Director(s) shall be subject to the approval of the shareholders of the Company by way of a special resolution, in the first general meeting of the shareholders which is convened after the Listing Date.

The Board shall also contain such number of independent directors as may be required under the regulations prescribed by SEBI and other applicable law.

The Investor Nominee Director, so long as he is acting as non-executive director, shall not be in charge of, or responsible for the day-to-day management of the Company and shall not be deemed to be an "officer in default" as the term is defined in the Companies Act, 2013, and shall accordingly not be liable for any default or failure of the Company and/ or the Subsidiaries in complying with the provisions of any applicable law, subject to applicable law, including the Companies Act, 2013 and any regulations as may be notified by the Securities and Exchange Board of India, from time to time. The Promoters and Company expressly agree that the Investor Nominee Director shall not be identified as an occupier of any premises used by the Company or an employer of the employees of the Company.

20.2. **Qualification Shares**. A Director shall not be required to hold any qualification shares.

20.3. **Alternate Director**. Any Party having the right to nominate a Director shall have the right to nominate an alternate Director to the nominee Director in accordance with the provisions of the Act. The Company and the Shareholders shall take all steps necessary to secure the appointment of the alternate Director. The alternate directors so appointed shall be entitled to attend the meetings of the Boards of the Company and vote in the event the nominee Director is unable to attend any meeting of the Boards of the Company. Any such alternate director shall be considered for the constitution of the quorum and shall be entitled to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his absence.

20.4. The nominee Directors shall be entitled to receive all notices, agenda (and all information and documents circulated to the Board(s) of the Company and the Shareholders in connection with meetings of the Board(s) of the Company and to attend all such meetings, shareholders meetings and meetings of any committees of the Board(s) and the shareholders of the Company.

20.5. **Vacancies**. If any Director resigns, vacates or is removed from office before his term expires, the resulting casual vacancy may be filled by a nominee of the Shareholder who originally nominated the Director vacating office, but any person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no vacancy had occurred.

20.6. **Liability of Investor Nominee Director**.

(a) Non-Executive Director. The Investor Nominee Director will be a non-executive Director in accordance with the Act.

20.7. Subject to provisions of section 149 of the Companies Act, 2013 and until otherwise determined by the Company in General meeting, the number of directors shall be not less than two and not more than fifteen.

20.8. A director shall not be disqualified by reason of his holding any other office or place of profit under the company other than those mentioned in Section 188 of the Companies Act, 2013 in conjunction with his office of director, except that of auditor and may be appointed thereto upon such terms as to remuneration, tenure of office, as the case may, with the previous consent of the Company, accorded by a special resolution.

20.9. Subject to the provisions of Section 188 of the Act, the Directors shall not be disqualified from contracting with the Company either as vendors, purchasers or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with any company or partnership in which any director so contracting being member or so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established but the nature of his interest must be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Board of directors after the acquisition of the interest. Provided, nevertheless that such Director shall be entitled to present at the meeting and to vote as Director in respect of the contract or arrangement in which he is so interested as aforesaid and if he does so, vote shall be counted. No general notice and no renewal thereof shall be of effect unless either it is given at a meeting of a Board or the director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

20.10. The payment of sitting fees shall be governed by the policy of the Company in this regard as may be in force from time to time.

20.11. The Board of directors may fix such remuneration to be paid to a Director of the Company as they think fit, subject to section 188 of the Act, if applicable.

20.12. In addition to the remuneration payable to them in pursuance of these Articles, the Directors may be paid all traveling, hotel and other expenses property incurred by them connection of the business of the Company as the Board may determine.

20.13. No director shall retire at any general meeting of the Company and subject to the provisions of the Act and these Articles, a Director shall continue to act as such until death, resignation and/or removal, as the case may be, unless tenure of employment is fixed by the Board in writing.

20.14. The Board of directors shall have powers to appoint the Directors nominated by any lending financial institution. Such director shall not be required to retire by rotation until the arrangement with the said financial institution continues.

20.15. The Board shall also have power to fill a casual vacancy in the Board. Such casual vacancy shall be filled up by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid, but he shall then be eligible for election.

20.16. **Managing Director**. The Board may subject to provisions of the Act appoint any person to be the Managing Director of the Company and may fix the remuneration to be paid to him and to determine to power exercisable and duties to be performed by such Managing Director. Subject to applicable law, an individual may be appointed as the Managing Director and Chairman of the Company at the same time.

20.17. **Company Secretary**. A company secretary may be appointed upon such terms and conditions as may be fixed by the Board.

20.18. **Additional Director**. An additional director may be appointed by the Board, upon such terms and conditions as may be fixed by the Board.

XIII - PROCEEDINGS OF BOARD

21. **Proceedings of Board**

21.1. **Number of Board Meetings**. The Board shall meet at least four (4) times in every calendar year *provided that*, not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive Board meetings. Subject to applicable Law, a Board meeting may also be held by video conferencing and/or any other permitted means remote participation.

21.2. **Convening meetings of the Board**. Any Director may, and the secretary of Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out below in Article 21.3 (*Notice for Board Meetings*).

21.3. **Notice for Board Meetings**. A Board meeting may be called by a Director and 14 (fourteen) days' written notice of each meeting of the Board or a committee thereof shall be given to each of the Directors at the address notified from time to time by each of them, in writing to the Company, whether in India or abroad, *provided that* a meeting may be convened by a shorter notice with written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of all the Directors..

21.4. **Contents of the Notice**.

(a) Every notice of a Board meeting of the Company and/ or the Subsidiaries shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such Board meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate directors.

(b) The draft resolutions and other documents for all matters to be considered at the Board meetings of the Company and/ or the Subsidiaries must be furnished to all the Directors along with the notice for such Board meeting.

21.5. **Decisions of the Board**.), A decision shall be said to have been made and/or a resolution passed at a meeting of the Board of the Company only if at a validly constituted meeting, such decisions are approved of by a majority of the Directors, present and voting at such Board meeting. In the event there is a vacancy on the Board and an individual has been designated to fill such vacancy, the first order of business shall be to fill such vacancy.

21.6. **Chairman**. Each meeting of the Board shall be chaired by the Chairman nominated by the Board. The Chairman shall not have a casting vote, to resolve a deadlock in voting. In the absence of the Chairman at any meeting, the Board shall elect one of their members to chair the meeting in question.

21.7. **Resolution by circulation or written consent** Except for those actions required by the Act to be determined at a meeting of the Board, all decisions of the Board may be taken by circular resolution. No resolution shall be deemed to have been duly passed by a Board of the Company and/ or the Subsidiaries, or a committee thereof by circulation or written consent, unless the resolution has been circulated in draft, together with the information required to make a fully-informed good faith decision with respect to such resolution, to all Directors, or to all members of the relevant committee, at their usual address (whether in India or abroad) or through electronic means, and has been approved, by majority of the Directors.

21.8. **Removal/Resignation of Directors**. The Company and the Shareholders shall not remove any nominee Director. Each Party entitled to nominate a Director shall have the right to require the removal of such nominee at any time and shall be entitled, to nominate another Person as the nominee Director in place of the Person removed. In the event of the resignation, retirement or vacation of office of the Director nominated by any Party, such Party shall be entitled to nominate another Person as Director in place of such Director and the Shareholders shall exercise their rights in such manner so as to cause the appointment of such Person as nominee Director to the Board of the Company.

XIV - BORROWING POWERS

22. Subject to section 179 of the Companies Act, 2013, the Board may from time to time at their discretion raise and borrow and may themselves lend and secure the payment of any sum or sums of money for the purpose of the Company.

23. The Board may raise or secure the repayment of such sum or sums in the manner and upon such terms and conditions in all respect as they deem fit and particular by creation of any mortgage or charge on the undertaking of the whole or any part of the property, or future, or uncalled capital of the Company or by the issue of bonds, redeemable debentures or denture-stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being.

24. All monies hundies, bills of exchange, notes belonging to the Company shall be deposited with one or more banks as the Board of Directors may decide, into an account to be opened in the name of the Company. Cheques on the banks shall be signed by one or more of the managing directors or working directors or by the members of the staff of the Company to whom the Board assign power of attorney or empower him/them by the Board resolution.

25. The Board of Directors are authorized to open accounts with in any bank in the name of the Company and operate upon those accounts and to invest the funds of the Company in Government or other securities of any kind whatsoever

and to collect interest on the same from time to time and/or endorse, transfer or otherwise deal with securities of the company.

26. The Board of Director by proper resolutions shall have the power to do all or any of the acts mentioned in the Memorandum of Association subject to section 179 of the Act.

27. The Company shall comply with the provisions of the Act, or any statutory modification thereof for the time being in force and in particular in regard to the registration of particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors and to send to the Registrar of Companies an annual return, statutory returns and a summary of particulars relating thereto and notice of any increase of share capital, and copies of special resolutions.

28. Debentures, Debenture-Stock, bonds, or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

29. Subject to applicable Law and these Articles, any debenture, debenture – stock, bonds, or other securities may be issued at discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

XV - DISQUALIFICATIONS OF DIRECTORS

30. The office of a director shall become vacant:

30.1. If by notice in writing to the Company a Director resigns the office of director,

30.2. If a Director ceases to be a director by virtue of the Act or becomes disqualified in accordance with provisions of Section 164 of the Companies Act, 2013,

30.3. If a Director adjudged insolvent, found lunatic or of unsound mind or involved in such offence that tell upon him as committing an act moral turpitude in the eyes of law or does such act during discharge of his duties as director as tantamount to criminal breach of trust.

XVI - ACCOUNTS AND AUDIT

31. The Board of Director shall cause true account to be kept of the sums of money received and expended by the Company, all sales and purchases of goods by the Company and the matters in respect of which such receipt and expenditure take place and of the assets, credit and liabilities of the Company.

32. The books of accounts shall be kept the registered office of the Company or at such other place or places as the Board of the directors of the Company in writing decide and shall be open to inspection by the directors during business hours.

33. The Company may keep such books of account or other relevant papers in electronic mode in the manner as prescribed under the Companies (Accounts) Rules, 2014, if the Board so decides.

34. The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulation the accounts, books and documents of the Company and any of them shall be open to the inspection by the members not being the Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by statute or authorized by the Board or by the Company in general meeting.

35. Once at least in every year the accounts of the Company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more statutory auditor or auditors.

36. The Company shall, at the annual general meeting, appoint an individual or a firm as an auditor who shall hold office for such period as determined by the Board and the manner and procedure of selection of auditors shall be as prescribed under Section 139 of the Companies Act, 2013 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meetings. Eligibility, qualifications, disqualification, powers, duties and removal of auditors shall be as prescribed under the Act and Companies (Audit and Auditors) Rules, 2014 as applicable to a public company.

37. The Company may at a general meeting remove any such auditor or all or any of such auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and whose nomination has been given to the members of the Company not earlier than three months but at least fourteen days before the date of the meeting.

XVII - DIVIDENDS AND RESERVES

38. Subject to applicable Law, the Board may from time to time recommend and pay to the member such interim divided as will appear it to be justified by the profit of the Company and the final divided including interim dividend have to be approved by the general body meeting held thereafter, which shall be payable to such members whose names appear in the members register on the date of declaration at the general body meeting.

39. The general body can't declare dividend more than recommended by the Board.

40. The Board recommend any dividend, but before that set aside out of the profit of the Company such sum as it think proper as a reserves which shall at the discretion of the Board be applicable for any purpose to which the profit of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the discretion, either be employed in the business of the company or to be invested in such investments (other than shares of the Company) as the Board may from time to time, think fit.

41. The Board may also carry toward any profit which it may think prudent not to divide, with or without setting aside any profit as reserve, but such decision must be supported by cogent reasons recorded in the Boards resolution and must be approved by the members in a following general meeting.

42. Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in cash according to and in proportion to the amounts paid or credited as paid in respect whereof the dividend is to be paid but if and so long as there be any arrears in any of the calls of the shares in the Company, dividends may be declared according to the amount of the shares already paid and the amounts of dividends may be adjusted against arrears of such calls on the shares.

43. Except as otherwise provided in these Articles, all dividends shall be apportioned and paid proportionate to the amount paid or credited as paid on the shares as on the last day of the year but if any share is issued on terms providing that they shall rank for dividend as from a particular date such share shall rank for divided accordingly.

44. The Board may deduct from any divided payable to any member all sums of money, if any presently payable be him to the Company on account of calls or otherwise in relation to the share of the Company.

45. Every divided warrant may be sent by post to last registered address of the member entitled thereto and the receipt by the person whose name at the date of declaration of the dividend appears on the Register of Members as the owner of the share or in case of joint holder, the receipt by any one of such holders shall be a good discharge to the Company for all payments made in respect of such dividend.

46. **Right to unpaid or unclaimed dividend**

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

XVIII - THE SEAL

47. The Directors shall provide for the safe custody of the seal.

48. The seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the

secretary or such other person as the Board may appoint for the purpose; and that one Director and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

XIX - INDEMNITY

49. The Company shall be bound by the indemnification provisions as provided under clause 19 of the Agreement.

50. The Directors, manager, auditor, secretary and other officers for the time being of the Company and any trustees for the time being acting in relation to any affairs of the Company and the heirs, executors and administrators respectively shall be indemnified for the losses which any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective offices of trust (except such) (if any) as they shall incur or sustain by or through their own willful neglect or default respectively) and no such officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other officer or trustee or for joining in any receipt, for the sake of conformity or for the solvency or honesty of any bankers or other person with whom any money or effects belonging to the Company may be lodged or deposited for the safe custody or for any insufficiency or deficiency or any security upon which any money of the Company shall be invested or for any other loss or damages due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such office or trustee. This Article is subject to section 197 of the Act.

51. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given favour or in which he is acquitted.

XX - SECRECY CLAUSE

52. Every Director, (except institutional/ex-officio Director) auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles.

53. No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which, in opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

PART B

I - APPLICABILITY OF TABLE F

1. The regulations as contained in Tables F of Schedule I to the Companies Act, 2013, shall not apply to the Company except in so far as the same are repeated, contained or expressly made applicable in these Articles.

II - DEFINITION AND INTERPRETATION

2. **Definitions and Interpretation**

2.1. **Definition. In these Articles:**

(a) "**Act**" means the (Indian) Companies Act, 2013 the rules framed thereunder and any subsequent amendment or re-enactment thereof for the time being in force.

(b) "**Action Plan**" means the plan made and mutually agreed between the Investor and the Promoters set out in schedule 5 of the Agreement, which sets out the specific environmental, social, labour, health and safety or security and environmental measures to be undertaken by the Company and the Subsidiaries, to enable the Business of the Company and/ or the Subsidiaries to be equipped, operated and undertaken in compliance with the Performance Standards and which shall be revised in accordance with Article 41.8 on an annual basis.

(c) "**Addendum Agreement**" means the subscription cum addendum agreement dated 21 March, 2016 executed by and between the Investor, the Company and the Promoters.

(d) "**Affiliate**" in relation to a Person:

(i) being a corporate entity, means any entity or Person, which controls, is controlled by, or is under the common control of such Person;

(ii) being an individual, means any entity or Person, which is controlled by such individual or a Relative of such individual;

(iii) in the case of the Investor, without prejudice to the generality of the foregoing, shall include its respective limited partners and any fund or investment vehicle owned, managed, advised, controlled or promoted by the Investor (as the case maybe) or by its respective Affiliates, investment managers or investment advisors;

For the avoidance of doubt, a Competitor shall, under no circumstances be capable of being classified as an Affiliate of any Party/Parties to any of the Transaction Documents.

(e) "**Agreed ESOP**" shall have the meaning ascribed to it in Article 42.

(f) "**Agreement**" or "Shareholders Agreement" means the shareholders agreement dated 07 August, 2015 executed by and between the Investor, the Company and the Promoters, as amended from time to time.

(g) "**Applicable S&E Law**" means all applicable Laws and Consents of applicable Governmental Authorities setting standards/measures concerning environmental, social, labor, health and safety or security risks, including of the type specified in the Action Plan or imposing liability for the breach thereof..

(h) "**Articles**" or "**these Articles**" means the Articles of Association of the Company, as amended from time to time.

(i) "**Associate Company**" shall have the meaning ascribed to it in Section 2(6) of the Companies Act, 2013.

(j) "**Board**" or the "**Board of Directors**" means the board of directors of the Company as constituted from time to time.

(k) "**Business**" means the business of providing environmental engineering solutions with focus on wastewater treatment and recycling, desalination and industrial solid waste management.

(l) "**Business Day**" means a day, not being a Saturday or a Sunday or a public holiday, on which banks are open for business in Mumbai, India and Mauritius, in the context of a payment being made to or from a bank in a place other than Mumbai, India or Mauritius, in such other place;

(m) "**Business Plan**" shall have the meaning ascribed to it in Article 41.11.

(n) "**Closing**" shall have the meaning ascribed to it in the Share Subscription Agreement.

(o) "**Closing Date**" shall have the meaning ascribed to it in the Share Subscription Agreement.

(p) "**Company**" means CONCORD ENVIRO SYSTEMS LIMITED.

(q) "**Competitor**" means any Person (resident in any part of the world), other than a Financial Investor, who derives at least 20% of its revenues on a stand-alone or consolidated basis from a business which is the same as the Business of the Company and/ or the Subsidiaries, and where such revenues are equal to or more than 75% of the consolidated revenues of the Company and the Subsidiaries as reflected in the financial statements for Financial Year immediately preceding the date of determination.

(r) "**Consent**" means any permit, permission, license, approval, authorization, consent, clearance, waiver, no objection certificate or other authorization of whatever nature and by whatever name called, which is required to be granted by any Person, including any Governmental Authority.

(s) "**Control**" or "**Controlling**" shall include ownership or control (whether directly or indirectly) of more than 50% (fifty per cent) of the total voting securities (calculated on a Fully Diluted Basis), whether by shareholding or contract or otherwise or control of, or the power to control, policy decisions and/or the composition of the board of directors of the other entity.

(t) "**Conversion Shares**" means the Equity Shares issued upon conversion of (i) Series A CCPS in the manner described in Articles 13 to 17; or (ii) Series A1 CCPS in the manner described in Articles 18 to 22, or (iii) Series A2 CCPS in the manner described in Article 23.4.

(u) "**Corporate Action Event**" means any share split, bonus issue, stock dividend, consolidation, recapitalization or recombination affecting the Equity Securities and any other transaction having the effect of any of the foregoing.

(v) "**Deed of Adherence**" means the deed of adherence in the form set forth in schedule 1 of the Agreement.

(w) "**Director**" means a director on the Board from time to time.

(x) "**Dividend**" includes bonus.

(y) "**Draft Business Plan**" shall have the meaning ascribed to it in Article 41.11.

(z) "**Employees Stock Option Plan**" or "**ESOP**" means any employee stock option plan (including the Agreed ESOP) as formulated by the Company and approved by the Board of the Company and applicable, inter alia, to the employees, including those in the Key Management Team of the Company and its Subsidiaries, if any, and to such other persons as are eligible, under applicable Law to receive such options. .

(aa) "**Encumbrances**" means any mortgage, pledge, equitable interest, assignment by way of security, hypothecation, claim, security interest, title defect, title retention agreement, voting trust agreement, option, lien, charge, restriction or limitation of any nature whatsoever (including any restriction or limitation imposed by way of court orders, interim awards, injunctions or any similar order or ruling issued by a Governmental Authority or other judicial / quasi-judicial authority, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement) the purpose of, or which has the effect of, granting security, or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise.

(bb) "**Equity Securities**" means Equity Shares, preference shares, including, but not limited to, Series A CCPS, Series A1 CCPS, Series A2 CCPS, any other security in the share capital of the Company, debentures or any note or debt security having or containing equity or profit participation features, or any option, warrant or other security or right which is directly or indirectly convertible into or exercisable or exchangeable for Equity Shares of the Company.

(cc) "**Equity Shares**" means the equity shares in the issued, subscribed and paid up equity share capital of the Company.

(dd) "**Exempted Issuances**" means any of the following: (i) any Equity Securities issued to the Company's officers, employees, directors and other service providers pursuant to any ESOP or any other stock option plan approved by the Board of the Company, including the Investor Nominee Director, if any; (ii) any Equity Securities actually issued upon the exercise of options or upon the conversion or exchange of convertible securities, including the Series A CCPS, Series A1 CCPS, Series A2 CCPS or warrants, in each case provided such issuance is pursuant to the terms of such option, convertible security or warrant; (iii) any Equity Securities issued pursuant to a transaction described in Article 17.8(b); (iv) any Equity Securities issued in an IPO; (v) any Equity Securities issued pursuant to a capital restructuring such as a merger, amalgamation, acquisition, etc.; and (vi) any Equity Securities issued to the Investor pursuant to the anti-dilution protection provisions set forth in Article 33.

(ee) "**Exit Period**" means a period commencing on expiry of 60 (Sixty) months from the Closing Date and expiring after expiry of 84 (eighty four) months from the Closing Date.

(ff) "**Fair Market Value**" means the equity valuation of the requisite Equity Securities determined by a Valuer and/ or a Third Valuer in accordance with the provisions of Section XXXIV of these Articles.

(gg) "**Financial Investor**" means any asset management companies, private equity/venture capital entities (whether incorporated as limited liability partnerships, trusts or companies or otherwise), mutual funds, proprietary funds, financial institutions, banks (nationalized or otherwise and domestic or international) and foreign institutional investors who are normally engaged in the business of investing for purely financial returns, provided that where such Financial Investor is controlled by a Competitor or where such Financial Investor is in control of a Competitor, shall not be considered a Financial Investor.

(hh) "**Financial Year**" means the financial year of the Company, commencing on April 1 every year and ending on March 31 of the following year, or such other financial year of the Company as the Company may from time to time legally designate as its financial year.

(ii) "**Fully Diluted Basis**" means that the calculation of shareholding is to be made assuming that (i) all Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), and all outstanding commitments to issue Equity Shares, membership or ownership interests, at a future date whether or not due to the occurrence of an event or otherwise, have been so converted, exercised or exchanged, (ii) that all unallocated options reserved for issuance under any ESOP have been issued and exercised and (iii) all partly paid Equity Shares (if any) have been fully paid-up.

(jj) "**Government**" or "**Governmental Authority**" means any government, statutory authority, any department, agency or instrumentality of any government, any court, tribunal or arbitral tribunal, board and the governing body of any securities exchange or Stock Exchange(s).

(kk) "**Identified Terms**" means the following:

(i) Lock-in (Article 30.1);

(ii) Failure of the Promoters to purchase the Offered Securities within the Purchase Period in accordance with the provisions of Article 30.5 hereof;

(iii) Pre-emptive right of the Investor (Article 24);

(iv) Anti-Dilution (Article 33) except where such right of the Investor is incapable of being exercised as a result of applicable Law;

(v) No solicitation (Article 41.2);

(vi) Non-compete (Article 41.3);

(vii) Anti-corruption (Article 41.7);

(viii) Transactions with Prohibited Persons (Article 41.9);

(ix) OFAC (Article 41.12);

(x) Greenhouse Gas Audit (Article 41.13); and

(xi) Reserved Matters as stated in Article 38.

(ll) "**Indian GAAP**" means the Indian generally accepted accounting principles, consistently applied.

(mm) "**INR**" means Indian Rupees, the currency and legal tender of the Republic of India, for the time being in force.

(nn) "**Investment Amount**" means the aggregate of Subscription Amount and Purchase Amount and such other amount as may be invested by the Investor in the Company from time to time in accordance with the provisions of the Agreement.

(oo) "**Investor**" shall mean AF Holdings.

(pp) "**Investor Nominee Director**" shall have the meaning ascribed to such term in Article 39.1.

(qq) "**Investor Shares**" means the aggregate of Subscription Shares and the Purchase Shares, and such other Equity Securities as may be subscribed to / purchased by the Investor in the Company from time to time.

(rr) "**IPO**" means the initial public offering and listing of the Equity Shares of the Company on any Stock Exchange(s)

(ss) "**IWWTC Share Purchase Agreement**" means the share purchase agreement executed simultaneously with the Agreement by the Company, India Waste Water Treatment Company and the Investor.

(tt) "**Key Management Team**" means the management team of the Company consisting of the managing director, whole time director, chief executive officer, chief financial officer, company secretary, head of production and head of technology at any present or future plants of the Company and the Subsidiaries, as

appointed from time to time, including any persons discharging the roles and powers substantially similar to the aforesaid persons, notwithstanding their designations or any other function head or departmental head and any other employee whose cost to the Company exceeds INR 40,00,000 (Indian Rupees Forty Lakhs only) per annum.

(uu) "**Law**" shall include all applicable statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, guidelines, policies, directions, directives and orders of any Government, and applicable international treaties and regulations, in force at the relevant time.

(vv) "**Listing Date**" means the date of listing of the Equity Shares on a recognized stock exchange.

(ww) "**Liquidation Event**" means the commencement of any proceedings for the liquidation, dissolution or winding up of the Company either through members' or creditors' voluntary winding-up process or a court directed winding-up process.

(xx) "**Liquidity Event**" means any of the following events:

(i) any merger, amalgamation, consolidation, reconstitution, restructuring or similar transaction with or into another Person following which the Company's shareholders immediately post such transaction (or series of related transactions) hold less than 50% of the outstanding voting power of the Company on a Fully Diluted Basis or the surviving or acquiring entity; or

(ii) a transaction or series of related transactions in which a Person or group of affiliated Persons (other than an underwriter of the Company's Equity Shares), acquires Equity Securities from Shareholders representing more than 50% (fifty percent) of the outstanding voting power of the Company; or

(iii) sale, transfer or other disposition of assets and properties (including tangible and intangible assets) of the Company and/ or RSS where such assets and properties constitute more than 50% (fifty percent) of the value of all assets and properties (including tangible or intangible assets) of the Company and/ or RSS;

provided, however, that a transaction shall not constitute a Liquidity Event if its sole purpose is to change the jurisdiction of the Company's incorporation or to create a holding company that will be owned in substantially the same proportions by the Persons who held the Company's Shares immediately prior to such transaction.

Notwithstanding the foregoing, the treatment of any particular transaction or series of related transactions as a Liquidity Event may be waived by the vote or written consent of the Investor.

(yy) "**Management Reports**" means the management internal reports summarizing progress against the annual budget, including (i) actual versus forecast financial results, (ii) actual versus forecast capital expenditure, and (iii) progress against business development targets, as well as noting any significant operational issues.

(zz) "**Memorandum**" means the memorandum of association of the Company as originally framed or altered from time to time in accordance with the Agreement, the Subscription Agreement and the Act.

(aaa) "**Month**" means English calendar month.

(bbb) "**Office**" means the Registered Office for time being of the Company.

(ccc) "**Offer for Sale**" shall include any secondary offering by the Investor pursuant to or as part of an IPO and shall include the meaning assigned to it in the SEBI Regulations.

(ddd) "**Performance Standards**" means International Finance Corporation's Performance Standards on Social and Environmental Sustainability, dated January 1, 2012, copies of which have been delivered to and receipt of which have been acknowledged by the Company and the Promoters.

(eee) "**Person**" shall include an individual, proprietorship, Hindu undivided family, partnership, corporation, company, unincorporated organization or association, trust or other entity, whether incorporated or not.

(fff) "**Preference Holder**" shall have the meaning ascribed to it in Article 16.1.

(ggg) "**Promoters**" shall mean Mr. Prayas Goel and Mr. Prerak Goel.

(hhh) "**Promoter Share Purchase Agreement**" means the share purchase agreement executed concurrently with the execution of the Agreement pursuant to which the Investor shall purchase from the Promoters Equity Shares as set forth therein.

(iii) "**Proxy**" includes Attorney duly constituted under a Power of Attorney.

(jjj) "**Purchase Amount**" means the aggregate consideration paid by the Investor under the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement for the acquisition of the Purchase Shares.

(kkk) "**Purchase Shares**" means 11,056 (eleven thousand and fifty six) fully paid-up Equity Shares of face value of INR 100 (Rupees One Hundred only) each purchased by the Investor from India Waster Water Treatment Company, and 695 (six hundred and ninety five) Equity Shares of face value of INR 100 (Rupees One Hundred only) each purchased by the Investor from Promoters in accordance with the terms of the IWWTC Share Purchase Agreement and the Promoter Share Purchase Agreement, respectively.

(lll) "**QIPO**" means an IPO (a) pursuant to which the Equity Shares of the Company are listed on any of the Stock Exchanges, at an Offer price consented to by the Investor, and (b) which is managed and underwritten by one or more reputable investment banking firms of recognised standing in the market where the Equity Shares are to be offered, as agreed by the Investor, and as undertaken in consultation with the Investor;

(mmm) "**Relative**" shall have the meaning ascribed to such term in Section 2 (77) of the Act.

(nnn) "**Related Party(ies)**" shall have the meaning ascribed to such term as defined in Section 2 (76) of the Act.

(ooo) "**Rules**" means any rule(s) made pursuant to section 469 of the Act or such other provisions pursuant to which the Central Government is empowered to make rules, and shall include such rules as may be enacted, re-enacted or amended from time to time.

(ppp) "**Seal**" means the Common Seal of Company.

(qqq) "**SEBI**" shall mean the Securities and Exchange Board of India, a body established under the provisions of the Securities and Exchange Board of India Act, 1992.

(rrr) "**SEBI Regulations**" means the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended or reenacted from time to time, including any rules or circulars issued thereunder.

(sss) "**Second Addendum Agreement**" means the subscription cum addendum agreement dated 26 October, 2017 executed by and between the Investor, the Company and the Promoters.

(ttt) "**Series A CCPS**" means the Series A fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1000 (Rupees One Thousand only), and carrying such terms and conditions set out in Articles 12 to 16 hereunder, in the Subscription Agreement and the Articles.

(uuu) "**Series A1 CCPS**" means the Series A1 fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1000 (Rupees One Thousand only), and carrying such terms and conditions as set out in Articles 18 to 22 hereunder and in the Addendum Agreement.

(vvv) "**Series A2 CCPS**" means the Series A2 fully and compulsorily convertible, non-cumulative, preference shares of the Company, each having a face value of INR 1000 (Rupees One Thousand only), and carrying such terms and conditions as set out in Article 23 and in the Second Addendum Agreement.

(www) "**Series A Original Issue Price**" shall have the meaning as set out in the Agreement.

(xxx) "**Series A1 Original Issue Price**" shall have the meaning as set out in the Addendum Agreement.

(yyy) "**Series A2 Original Issue Price**" has the meaning as set out in the Second Addendum Agreement.

(zzz) "**Shareholder**" means the duly registered holder from time to time of the Equity Securities of the Company.

(aaaa) "**Stock Exchange**" means the National Stock Exchange, the BSE Limited or such other stock exchange approved by the Board.

(bbbb) "**Subscription Amount**" shall have the meaning as set out in the Agreement.

(cccc) "**Subscription Agreement**" or "**SSA**" means the share subscription agreement executed concurrently with the execution of the Agreement pursuant to which the Company shall issue and allot such number of Series A CCPS to the Investor as set forth therein.

(dddd) "**Subsidiaries**" means RSS, CBT, Reva, CES-FZE, BWTT and CES Mexico and shall include any future subsidiaries of the Company.

(eeee) "**Tax**" or "**Taxation**" means , to the extent applicable, all forms of taxation, duties, levies imposts and social security charges, present and future, whether direct or indirect including without limitation corporate income tax, wage withholding tax, value added tax, customs and excise duties, capital gains tax, dividend withholding tax, dividend distribution tax, land taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local Law or regulation and levied by any Governmental Authority; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction.

(ffff) "**Third Party**" means any Person other than the Parties to the Agreement or any Affiliates of any Parties to this Agreement.

(gggg) "**Third Valuer**" shall have the meaning ascribed to the term in Article 82 below.

(hhhh) "**Tranche I Investment**" shall have the meaning ascribed to it in the Share Subscription Agreement.

(iiii) "**Tranche II Closing Date**" shall have the meaning ascribed to it in the Addendum Agreement.

(jjjj) "**Tranche III Closing Date**" has the meaning ascribed to it in the Second Addendum Agreement.

(kkkk) "**Transaction Documents**" means and includes the Agreement, the Subscription Agreement, the disclosure letter, the Addendum Agreement, the Second Addendum Agreement, the IWWTC Share Purchase Agreement, the Promoter Share Purchase Agreement and these Articles.

(llll) "**Transfer**" (including the terms "**Transferred by**", "**Transferring**" and "**Transferability**") means to directly or indirectly transfer, sell, assign, exchange, gift, dispose of in any manner, or subject to any Encumbrance, whether or not voluntarily, and whether by operation of law or otherwise.

(mmmm) "**Valuer**" means any Big 4 Accounting Firm or any merchant banker ranked amongst the top 10 merchant bankers in India by Thomson Reuters immediately prior to the date of appointment, and appointed in accordance with the provisions of Section XXXIV of these Articles.

2.2. **Interpretation**

(a) "In writing and Written" includes printing, lithography and other modes of representing or reproducing words in a visible form.

(b) Words importing the singular number include the plural number and vice versa.

(c) Words importing the masculine gender include the feminine gender.

(d) Reference to a Party shall include, such Party's legal heirs, executors, administrators, successors and permitted assigns and any Persons deriving title under it, as applicable.

(e) References to the shareholding of any Shareholder in the Company shall (a) refer to the shareholding of such Shareholder computed on a Fully Diluted Basis, and (b) include the shareholding of such Shareholder's Affiliates holding any shares in the Company, if any.

(f) The terms "hereto", "hereof," "herein," "hereby" and derivative or similar words refer to these Articles and not to any particular clause, article or section of the Articles.

(g) The word "including" herein shall always mean "including, without limitation".

(h) The phrases "ordinary course of business" and "ordinary course of business consistent with past practice" refer to the business and practice of the Company as conducted prior date of execution of the Agreement;

(i) Whenever the Articles refer to a number of days, such number shall refer to calendar days, unless specifically provided otherwise.

(j) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under Indian GAAP.

(k) Headings and captions are used for convenience only and shall not affect the interpretation of these Articles.

(l) Unless the context otherwise requires, words and expression used in these presents shall bear the same meaning as in the Act, or any statutory modification thereof in force at the date when these regulation become binding on the Company.

III - PUBLIC COMPANY

3. **Public Company**

3.1. The Company is a public company within the meaning of Section 2(71) of the Companies Act, 2013 and accordingly:

"public company" means a company which-

(a) is not a private company and

(b) has a minimum paid-up share capital as may be prescribed

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles.

3.2. The Company may at any time convert itself into a private company within the meaning of and subject to the provisions of the Act and Rules made thereunder.

IV - SHARE CAPITAL

4. **Share Capital**

4.1. **Authorised Capital**. The Authorised Share Capital of the Company is Rs. 42,50,00,000 (Indian Rupees Forty Two Crores Fifty Lakhs) divided into 4,00,00,000 (Four Crores) Equity Shares of INR 5 (Indian Rupees Five) each and 2,25,000 (Two Lakhs Twenty Five Thousand) Preference shares of INR 1000 (Indian Rupees Thousand) each. Subject to Article 38 (Reserved Matters), the Company shall have the power to alter its share capital to the extent permissible under the Act including to increase or reduce the capital, to divide the share in capital for the time being into several class and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or any condition as may be determined in such manner as may be permitted by the Act or by these Articles and to consolidate or sub-divide the shares and to vary, modify for abrogate such rights, privileges, or conditions in such manner as may for the time being be permitted by the Act or these Articles. The Board shall have power to classify or reclassify the shares into different types.

4.2. **Alteration of Capital**. Subject to Article 38 (Reserved Matters), the Company may from time to time change the structure of the capital, alter in any way the conditions of its memorandum relating to capital in accordance with the provisions of section 61 of the Companies Act, 2013 for all or any of the following purposes:

a. To increase its authorised share capital by such amount as it thinks expedient;

b. To consolidate and divide all or any of its share capital into shares of larger amount than its existing shares, provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner;

c. To convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid up shares of any denomination;

d. To sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, so, however, that in the sub-division, the proportion between the amount paid and the amount, if any unpaid, on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and

e. To cancel any shares which at the date of the passing of the resolution, have not been taken or agreed to be taken by any persons and diminish the amount of its share capital by the amount of the shares so cancelled. Cancellation of shares in pursuance of this sub-clause shall not be deemed to be a reduction of the capital of the Company within the meaning of the Act.

4.3. **Kinds of Share Capital**. The Company may issue different kinds of Shares in accordance with these Articles and applicable provisions of the Act and Rules including shares with differential rights as to dividend, voting or otherwise in accordance with the Act and the Rules.

4.4. **Reduction**. The Company may (subject to the provisions of Sections 55 of the Act) from time to time, by Special Resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law:

(a) Its share capital;

(b) Any capital redemption reserve account; or

(c) Any share premium account.

4.5. **Variation of Members rights**. If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the term of issue of the shares of that class) may, subject to the provisions of the Act and the applicable Rules, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than ¾ (three-fourth) of the issued shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the shares of that class.

V - ISSUE AND ALLOTMENT OF SECURITIES

5. **Further Issue of securities:**

(a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the paid up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days, or such lesser number of days as may be prescribed, and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

b. the aforesaid offer be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;

c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

(iii) to any Persons, if it is authorised by a special resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, at such price as may be determined in accordance with Law, subject to the compliance with the applicable provisions of the Act and any other conditions as may be prescribed under Law.

(b) The notice referred to in (a) (i) above shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the Company in a general meeting.

(d) Notwithstanding anything contained (c) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public

interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.

Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the competent authority which shall after hearing the company and the Government pass such order as it deems fit.

(e) Where the Government has, by an order made under sub-clause (d), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the competent authority under (d) above or where such appeal has been dismissed, the Memorandum of Association of the Company shall, where such order has the effect of increasing the authorized Share Capital of the Company, be altered and the authorized share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

(f) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

6. **Private Placement of Securities**. The Company may in accordance with provisions of the Act and the applicable Rules, issue further securities by way of a private placement of its securities.

7. **Power to Issue Redeemable Preference Shares**. Subject to and in accordance with the provisions of the Act and the Companies (Share Capital and Debentures) Rules, 2014, and subject to the provisions on which any Shares may have been issued, the Company shall have the power to issue preference Shares which are, or at the option of Company, liable to be redeemed within a period not exceeding 20 (twenty) years from the date of their issue, and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption.

8. Subject to the provisions of these Articles and Article 38 (Reserved Matters) and Article 24 (Pre-emptive Rights), the shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such person on such term and conditions and at such time as Directors think fit.

9. **Bonus Shares**: The Company is hereby permitted to issue fully paid-up bonus shares to its members in the manner as set out in Section 63 of the Act and Companies (Share Capital and Debentures) Rules, 2014. Bonus shares may be issued in lieu of dividends.

10. **Buy-back of shares**: The Company is hereby permitted to purchase its own Shares or other specified Securities in accordance with the provision of Sections 68, 69 and 70 of the Companies Act, 2013 and other applicable provisions and applicable Rules. If and to the extent permitted by Law, the Company shall also have the power to re-issue the shares or securities so bought back.

11. The Company may pay commission (whether absolute or conditional) to any person in connection with the subscription or procurement of subscription to its Securities, as may be determined by the Board.

12. **Shares at the Disposal of the Board of Directors**

(a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par or at discount (subject to compliance with Section 53 of the Act) at such time as they may, from time to time, think fit, to give to any person or persons the option or right to call for any shares either at par or premium or at a discount subject to the provisions of the Act during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be so allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid up shares. Provided that option or right to call shares shall not be given to any Person or Persons without the sanction of the Company in the Shareholders' Meeting.

VI - TERMS OF SERIES A CCPS

13. **Status of CCPS**

Unless specifically agreed to by the Preference Holders, the Series A CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events.

14. **Voting Rights**

The voting rights in respect of the Series A CCPS shall be governed by Article 37.7.

15. **Term**

In the event that, for any reason whatsoever, the conversion of the Series A CCPS does not occur in the manner set forth herein, each Series A CCPS shall have a term of 20 (twenty) years.

16. **Dividends**

16.1. Subject to applicable Law, each holder of Series A CCPS (a "**Preference Holder**") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A CCPS.

16.2. Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A CCPS).

16.3. No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

17. **Conversion of the Series A CCPS.**

17.1. **Conversion Right**. Each Preference Holder shall have the right to require the Company to convert all or a part of such Series A CCPS held by them into such number of fully paid Equity Shares equal to the Series A Original Issue Price divided by the Series A Conversion Price (as defined below) then in effect (the conversion ratio for the Series A CCPS is referred to herein as the "**Conversion Ratio**"), in accordance with the terms of the Agreement and Articles (the "**Conversion Right**") at any time before the conversion of the Series A CCPS is carried out under Article 17.2 below. The Conversion Ratio shall initially be 1:1, until adjusted in accordance with Article 17.8 and Article 33 (*Broad Based Anti-Dilution Protection*).

17.2. **Mandatory Conversion**. The Company shall mandatorily convert each Series A CCPS into Equity Shares at the Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of a Conversion Notice in terms of Article 17.3 below, or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Article 30.5 below. Notwithstanding the foregoing, each Series A CCPS shall mandatorily convert into Equity Shares at the Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A CCPS were first issued by the Company.

17.3. **Exercise of Conversion Right and procedure for conversion**. A Preference Holder may exercise the Conversion Right by (a) delivering a written notice (a "**Conversion Notice**") to the Company of its intention to so convert Series A CCPS held by such Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A CCPS at the office of the Company together with the Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The Conversion Notice shall specify the number of Series A CCPS that such Preference Holder elects to convert (such Series A CCPS referred to as the "**Relevant CCPS**") and state therein the name or names of any nominee for such Preference Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.

17.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the

appropriate number of Equity Shares into which the Relevant CCPS are convertible at the Conversion Ratio then in effect. Not later than the 7th (seventh) Business Day from the date of the Conversion Notice, the Company shall deliver to such Preference Holder:

(a) duly stamped and executed share certificates with respect to the Conversion Shares issued on conversion of the Relevant CCPS;

(b) certified true copies of all filings necessary to effect and validate the issue of the Conversion Shares, including Form PAS-3;

(c) certified true copy of the register of members of the Company showing the Preference Holder as the registered owner of the Conversion Shares;

(d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A CCPS and issue of Equity Shares in lieu thereof; and

(e) in the event that the Preference Holder has requested in the Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such Preference Holder or to the nominee or nominees of such Preference Holder previously identified to the Company in writing accompanied with a beneficiary position statement issued by the concerned depository.

17.5. **Procedure for Mandatory Conversion**. In the case of a mandatory conversion of Series A CCPS pursuant to Article 17.2, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in Articles 17.4(a) to 17.4(e), to the Preference Holders on the date of conversion of the Series A CCPS.

17.6. **No Fractional Shares**. No fractional Conversion Shares shall be issued upon conversion of Series A CCPS. If the computation of the number of Conversion Shares to be issued, results in a fraction, then the number of Conversion Shares shall be rounded off to the nearest whole number.

17.7. **Conversion Price**. The "**Series A Conversion Price**" for the Series A CCPS shall initially be equal to the Series A Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with Article 17.8 and Article 33 (*Broad Based Anti-Dilution Protection*). It is clarified that any adjustment of the Series A Conversion Price and Conversion Ratio shall not automatically result in conversion of the Series A CCPS. In the event of any adjustment to the Series A Conversion Price and the Conversion Ratio of the Series A CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A Conversion Price and Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, that at the time would be received upon the conversion of Series A CCPS.

17.8. Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations. The Series A Conversion Price and Conversion Ratio shall be subject to adjustment from time to time as follows:

(a) Adjustments for Dilutive Issuances. If at any time after the Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A Conversion Price in effect immediately prior to such issuance (a "**Dilutive Issuance**"), then the holders of Series A CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with Article 33.2. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A Conversion Price and Conversion Ratio in accordance with Article 33.2. Notwithstanding the foregoing, if the adjustment set forth in this Article 17.8(a) is not permitted to be made, in whole or in part, under applicable Law, the Parties agree to take all necessary acts to put the Preference Holders in the position that they would have been if such adjustment to the Series A Conversion Price had been made, including potentially the issuance of new Equity Shares to the Preference Holders, or an Affiliate or designated nominee of a Preference Holder, whereby the Preference Holders, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.

(b) In the event the Company should at any time or from time to time after the Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional

Equity Shares (hereinafter referred to as "**Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A Conversion Price and Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such Equity Share Equivalents.

(c) If the number of Equity Shares outstanding at any time after the Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A Conversion Price and Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.

(d) Subject to the provisions of Clause 12.3 of the SSA, the Conversion Ratio of the Series A CCPS may be adjusted at the option of the Indemnified Party (as defined in the Share Subscription Agreement), on the basis of the Fair Market Value, such that the number of Conversion Shares increases to make good the Indemnity Amount (as defined hereinafter) payable to the Indemnified Party ("**Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the Indemnity Conversion Ratio shall be readjusted such that the number of Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of the Agreement and the Articles, if the value received by the Investor as a consequence of the exit ("**Exit Value**") and in respect of the Conversion Shares (reckoned as a result of the adjustment of the Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the Exit Value of the Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.

(e) The Conversion Ratio of the Series A CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.

(f) The Conversion Ratio of the Series A CCPS shall be adjusted in respect of amounts receivable by CES-FZE, in accordance with the provisions of clause 3.5.8 (f) of the Agreement.

(g) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

$$\text{Conversion Ratio} = \frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}) / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount * 2) / Fair Market Value of the Company as on the date of conversion

(h) The Conversion Ratio of the Series A CCPS may be adjusted at the option of the holder of the Series A CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

$$\text{Conversion Ratio} = \frac{((\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}) / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

(i) The adjustments under this Article 17.8 shall not be mutually exclusive.

17.9. **Conversion Cost**. The Company shall bear all expenses arising from the conversion of the Series A CCPS as set out in this Article 17, including inter alia, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A CCPS.

17.10. **Other Distributions**. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Article 17.8(a) above, then, in each such case for the purpose of this Article 17.10, the Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number Equity Shares into which their Series A CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.

17.11. **Reservation of Equity Shares Issuable Upon Conversion**. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A CCPS, in addition to such other remedies as shall be available to the Preference Holder, the Company shall take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, to obtain the requisite shareholder approval of any necessary amendment to the Articles.

17.12. **Waiver of Adjustment to Conversion Price**. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A CCPS.

VII - TERMS OF SERIES A1 CCPS

18. **Status of CCPS**

Unless specifically agreed to by the A1 Preference Holder in writing, the Series A1 CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events. It is hereby clarified that Series A1 CCPS shall rank pari passu with Series A CCPS at all times and in all events.

19. **Voting Rights**

The voting rights in respect of the Series A1 CCPS shall be governed by Article 37.7, as if each time the term "**Series A CCPS**" has been used in such Article 37.7 is replaced by the term "**Series A1 CCPS**".

20. **Term**

In the event that, for any reason whatsoever, the conversion of the Series A1 CCPS does not occur in the manner set forth herein, each Series A1 CCPS shall have a term of twenty (20) years.

21. **Dividends**

21.1. Subject to applicable Law, each holder of Series A1 CCPS (a "**A1 Preference Holder**") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A1 CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A1 CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A1 CCPS.

21.2. Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A1 CCPS).

21.3. No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A1 CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

22. **Conversion of the Series A1 CCPS**.

22.1. **Conversion Right**. Each A1 Preference Holder shall have the right to require the Company to convert all or a part of such Series A1 CCPS held by them into such number of fully paid Equity Shares equal to the Series A1 Original Issue Price divided by the Series A1 Conversion Price (as defined below) then in effect (the conversion ratio for the Series A1 CCPS is referred to herein as the "**A1 Conversion Ratio**"), in accordance with the terms of the Addendum Agreement and Articles (the "**A1 Conversion Right**") at any time before the conversion of the Series A1 CCPS is carried out under Article 22.2 below. The A1 Conversion Ratio shall initially be 1:1, until adjusted in accordance with Article 22.8 and Article 33 (*Broad Based Anti-Dilution Protection*).

22.2. **Mandatory Conversion**. The Company shall mandatorily convert each Series A1 CCPS into Equity Shares at the A1 Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of an A1 Conversion Notice in terms of Article 22.3 below or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Article 30.5 below. Notwithstanding the foregoing, each Series A1 CCPS shall mandatorily convert into Equity Shares at the A1 Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A1 CCPS were first issued by the Company.

22.3. **Exercise of A1 Conversion Right and procedure for conversion**. An A1 Preference Holder may exercise the A1 Conversion Right by (a) delivering a written notice (a "**A1 Conversion Notice**") to the Company of its intention to so convert Series A1 CCPS held by such A1 Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A1 CCPS at the office of the Company together with the A1 Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the A1 Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The A1 Conversion Notice shall specify the number of Series A1 CCPS that such A1 Preference Holder elects to convert (such Series A1 CCPS referred to as the "**Relevant A1 CCPS**") and state therein the name or names of any nominee for such A1 Preference Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.

22.4. As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the A1 Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant A1 CCPS are convertible at the A1 Conversion Ratio then in effect. Not later than the 7th (seventh) Business Day from the date of the A1 Conversion Notice, the Company shall deliver to such A1 Preference Holder:

(a) duly stamped and executed share certificates with respect to the A1 Conversion Shares issued on conversion of the Relevant A1 CCPS;

(b) certified true copies of all filings necessary to effect and validate the issue of the A1 Conversion Shares, including Form PAS-3;

(c) certified true copy of the register of members of the Company showing the A1 Preference Holder as the registered owner of the A1 Conversion Shares;

(d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A1 CCPS and issue of Equity Shares in lieu thereof; and

(e) in the event that the A1 Preference Holder has requested in the A1 Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such A1 Preference Holder or to the nominee or nominees of such A1 Preference Holder previously identified to the Company in writing accompanied with a beneficiary position statement issued by the concerned depository.

22.5. **Procedure for Mandatory Conversion**. In the case of a mandatory conversion of Series A1 CCPS pursuant to Article 22.2, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in Articles 22.4(a) to 22.4(e), to the A1 Preference Holder on the date of conversion of the Series A1 CCPS.

22.6. **No Fractional Shares**. No fractional A1 Conversion Shares shall be issued upon conversion of Series A1 CCPS. If the computation of the number of A1 Conversion Shares to be issued, results in a fraction, then the number of A1 Conversion Shares shall be rounded down to the nearest whole number.

22.7. **Conversion Price**. The "**Series A1 Conversion Price**" for the Series A1 CCPS shall initially be equal to the Series A1 Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with Article 22.8 below and Article 33 (*Broad Based Anti-Dilution Protection*). It is clarified that any adjustment of the Series A1 Conversion Price and A1 Conversion Ratio shall not automatically result in conversion of the Series A1 CCPS. In the event of any adjustment to the Series A1 Conversion Price and the A1 Conversion Ratio of the Series A1 CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A1 CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any A1 Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A1 Conversion Price and A1 Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of Series A1 CCPS.

22.8. **Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations**. The Series A1 Conversion Price and A1 Conversion Ratio shall be subject to adjustment from time to time as follows:

(a) **Adjustments for Dilutive Issuances**. If at any time after the Tranche II Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A1 Conversion Price in effect immediately prior to such issuance (a "**A1 Dilutive Issuance**"), then the holders of Series A1 CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with Article 33.2. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A1 CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A1 Conversion Price and A1 Conversion Ratio in accordance with Article33.2. Notwithstanding the foregoing, if the adjustment set forth in this Article 21.8(a) is not permitted to be made, in whole or in part, under applicable Law, the Parties agree to take all necessary acts to put the A1 Preference Holder in the position that they would have been if such adjustment to the Series A1 Conversion Price had been made, including potentially the issuance of new Equity Shares to the A1 Preference Holder, or an Affiliate or designated nominee of a A1 Preference Holder, whereby the A1 Preference Holder, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.

(b) In the event the Company should at any time or from time to time after the Tranche II Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as "**A1 Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the A1 Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A1 Conversion Price and A1 Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A1 CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such A1 Equity Share Equivalents.

(c) If the number of Equity Shares outstanding at any time after the Tranche II Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A1 Conversion Price and A1 Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A1 CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.

(d) Subject to the provisions of clause 12.3 of the SSA, the A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the Indemnified Party, on the basis of the Fair Market Value, such that the number of A1 Conversion Shares increases to make good the Indemnity Amount (as defined in clause 12.2 of the SSA) payable to the Indemnified Party ("**A1 Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the A1 Indemnity Conversion Ratio shall be readjusted such that the number of A1 Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of the Agreement and the Articles, if the value received by the Investor as a consequence of the exit ("**A1 Exit Value**") and in respect of the A1 Conversion Shares (reckoned as a result of the adjustment of the A1 Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the A1 Exit Value of the A1 Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.

(e) The A1 Conversion Ratio of the Series A1 CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the A1 Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.

(f) The Conversion Ratio of the Series A1 CCPS shall be adjusted in respect of amounts receivable by CES-FZE, in accordance with the provisions of clause 3.5.8 (f) of the Agreement.

(g) The A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the holder of the Series A1 CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

$$\text{A1 Conversion Ratio} = \frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A1 CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount * 2) / Fair Market Value of the Company as on the date of conversion

(h) The A1 Conversion Ratio of the Series A1 CCPS may be adjusted at the option of the holder of the Series A1 CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

$$\text{A1 Conversion Ratio} = \frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of Series A1 CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

(i) The adjustments under this Article 22.8 shall not be mutually exclusive.

22.9. **Conversion Cost**. The Company shall bear all expenses arising from the conversion of the Series A1 CCPS as set out in this Article 22, including inter alia, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A1 CCPS.

22.10. **Other Distributions**. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Article 22.8(a) above, then, in each such case for the purpose of this Article 22.10, the A1 Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number Equity Shares into which their Series A1 CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.

22.11. **Reservation of Equity Shares Issuable Upon Conversion**. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A1 CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A1 CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A1 CCPS, in addition to such other remedies as shall be available to the A1 Preference Holder, the Company shall take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, to obtain the requisite shareholder approval of any necessary amendment to the Articles.

22.12. **Waiver of Adjustment to Conversion Price**. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A1 Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A1 CCPS.

VIII - TERMS OF SERIES A2 CCPS

23. **Status of CCPS**

Unless specifically agreed to by the A2 Preference Holder in writing, the Series A2 CCPS shall rank senior to the Equity Shares and other preference shares at all times and in all events. It is hereby clarified that Series A2 CCPS shall rank pari passu with Series A CCPS and the Series A1 CCPS at all times and in all events.

23.1. **Voting Rights**

The voting rights in respect of the Series A2 CCPS shall be governed by Article XIX - 37.7, as if each time the term "**Series A CCPS**" has been used in such Article XIX - 37.7 shall mean reference to the term "**Series A2 CCPS**" as well.

23.2. **Term**

In the event that, for any reason whatsoever, the conversion of the Series A2 CCPS does not occur in the manner set forth herein, each Series A2 CCPS shall have a term of twenty (20) years.

23.3. **Dividends**

23.3.1 Subject to applicable Law, each holder of Series A2 CCPS (a "**A2 Preference Holder**") shall be entitled to receive a dividend at the rate of 0.001% of the face value per annum on each Series A2 CCPS held by such holder, payable when, as and if declared by the Board of the Company. Except to any other Equity Security issued in future and which ranks higher in priority than the Series A2 CCPS, no dividend or distribution may be paid to, or set aside for any other Shareholder unless dividend hereunder is paid to the holders of Series A2 CCPS.

23.3.2 Further, subject to applicable Law, after the payment of the dividend specified above, any additional dividends shall be distributed to all Shareholders in proportion to the number of Equity Shares held by each Shareholder on a Fully Diluted Basis (which for the avoidance of doubt, includes the Investor assuming conversion of the Series A2 CCPS).

23.3.3 No dividend or distribution shall be paid on any share of any class or series of the Company if and to the extent that as a consequence of such dividend or distribution holders of Series A2 CCPS would be entitled to a dividend hereunder greater than the maximum amount permitted to be paid in respect of preference shares of an Indian company held by a non-resident under applicable Laws (including without limitation, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India), Regulations, 2000).

23.4. **Conversion of the Series A2 CCPS.**

23.4.1 Conversion Right. Each A2 Preference Holder shall have the right to require the Company to convert all or a part of such Series A2 CCPS held by them into such number of fully paid Equity Shares equal to the Series A2 Original Issue Price divided by the Series A2 Conversion Price (as defined below) then in effect (the conversion ratio for the Series A2 CCPS is referred to herein as the "**A2 Conversion Ratio**"), in accordance with the terms of these Articles (the "**A2 Conversion Right**") at any time before the conversion of the Series A2 CCPS is carried out under Article 22.4.2 below. The A2 Conversion Ratio shall initially be 1:1, until adjusted in accordance with Article 22.4.8 below and Article 33.

23.4.2 Mandatory Conversion. The Company shall mandatorily convert each Series A2 CCPS into Equity Shares at the A2 Conversion Ratio then in effect upon the earlier of (i) immediately prior to the filing of a red herring prospectus in relation to any IPO (approved by the Investor) or any proposed QIPO, or (ii) the issuance of an A2 Conversion Notice in terms of Article 23.4.3 below or (iii) transfer of Offered Securities by the Investor to a Competitor in terms of Article 30.5 below. Notwithstanding the foregoing, each Series A2 CCPS shall mandatorily convert into Equity Shares at the A2 Conversion Ratio then in effect one day prior to the expiry of the twentieth anniversary of the date on which the Series A2 CCPS were first issued by the Company.

23.4.3 Exercise of A2 Conversion Right and procedure for conversion. An A2 Preference Holder may exercise the A2 Conversion Right by (a) delivering a written notice (a "**A2 Conversion Notice**") to the Company of its intention to so convert Series A2 CCPS held by such A2 Preference Holder into Equity Shares and (b) surrendering the relevant share certificates representing such Series A2 CCPS at the office of the Company together with the A2 Conversion Notice. If the Equity Shares are to be issued in dematerialized form, the A2 Preference Holder shall also provide standard information required to allow the Company to issue such shares in dematerialized form. The A2 Conversion Notice shall specify the number of Series A2 CCPS that such A2 Preference Holder elects to convert (such Series A2 CCPS referred to as the "**Relevant A2 CCPS**") and state therein the name or names of any nominee for such A2 Preference

Holder in which the certificate or certificates for Equity Shares are to be issued and whether or not such Equity Shares are to be issued in physical form or dematerialized form.

23.4.4 As soon as reasonably practicable, but in no event later than 7 (seven) Business Days from the date of the A2 Conversion Notice, the Company shall take all necessary corporate actions and obtain all necessary Consents and issue the appropriate number of Equity Shares into which the Relevant A2 CCPS are convertible at the A2 Conversion Ratio then in effect. Not later than the 7th (seventh) Business Day from the date of the A2 Conversion Notice, the Company shall deliver to such A2 Preference Holder:

(a) duly stamped and executed share certificates with respect to the A2 Conversion Shares issued on conversion of the Relevant A2 CCPS;

(b) certified true copies of all filings necessary to effect and validate the issue of the A2 Conversion Shares, including Form PAS-3;

(c) certified true copy of the register of members of the Company showing the A2 Preference Holder as the registered owner of the A2 Conversion Shares;

(d) duly acknowledged copies of all intimations and filings made by the Company with the RBI in respect of the conversion of the Series A2 CCPS and issue of Equity Shares in lieu thereof; and

(e) in the event that the A2 Preference Holder has requested in the A2 Conversion Notice or otherwise in writing to the Company and has provided all required information to the Company to hold the converted Equity Shares in a dematerialized form, evidence that such Equity Shares have been deposited in the account of such A2 Preference Holder or to the nominee or nominees of such A2 Preference Holder previously identified to the Company in writing accompanied with a beneficiary position statement issued by the concerned depository.

23.4.5 Procedure for Mandatory Conversion. In the case of a mandatory conversion of Series A2 CCPS pursuant to Article 22.4.2 hereinabove, the Company shall take all necessary corporate and other actions and obtain all Consents on or prior to the date of conversion, and shall provide the documents/ information listed in sub-Articles (a), 0, 0, (d) and (e) of Article 22.4.5 to the A2 Preference Holder on the date of conversion of the Series A2 CCPS.

23.4.6 No Fractional Shares. No fractional A2 Conversion Shares shall be issued upon conversion of Series A2 CCPS. If the computation of the number of A2 Conversion Shares to be issued, results in a fraction, then the number of A2 Conversion Shares shall be rounded down to the nearest whole number.

23.4.7 Conversion Price. The "**Series A2 Conversion Price**" for the Series A2 CCPS shall initially be equal to the Series A2 Original Issue Price and, subject to applicable Law, shall be adjusted in accordance with Article 22.4.8 below and Article 33. It is clarified that any adjustment of the Series A2 Conversion Price and A2 Conversion Ratio shall not automatically result in conversion of the Series A2 CCPS. In the event of any adjustment to the Series A2 Conversion Price and the A2 Conversion Ratio of the Series A2 CCPS, the Company, at its expense, shall promptly compute such adjustment and inform the holders of Series A2 CCPS of the details of such adjustment in writing. The Company shall upon the written request at any time of any A2 Preference Holder furnish or cause to be furnished to such holder a certificate setting forth (A) such adjustment, (B) the Series A2 Conversion Price and A2 Conversion Ratio at the time in effect, and (C) the number of Equity Shares and the amount, if any, of other property that at the time would be received upon the conversion of Series A2 CCPS.

23.4.8 Conversion Price and Conversion Ratio Adjustments for Certain Dilutive Issuances, Splits and Combinations. The Series A2 Conversion Price and A2 Conversion Ratio shall be subject to adjustment from time to time as follows:

(f) Adjustments for Dilutive Issuances. If at any time after the Tranche III Closing Date, the Company issues to any Person any Equity Securities (other than pursuant to an Exempted Issuance), at a price per security that is lower than the Series A2 Conversion Price in effect immediately prior to such issuance (a "**A2 Dilutive Issuance**"), then the holders of Series A2 CCPS shall be entitled to a broad-based weighted average anti-dilution protection in accordance with Article 33.2. In such an event, the Company and the other Shareholders shall be bound to cooperate with the holders of Series A2 CCPS and the Company such that, the Company forthwith takes all necessary steps to adjust the Series A2 Conversion Price and A2 Conversion Ratio in accordance with Article 33.2. Notwithstanding the foregoing, if the adjustment set forth in this Article 22.4.8 is not permitted to be made, in whole or in part, under applicable Law, the Parties shall take all necessary acts to put the A2 Preference Holder in the position that they would have been if such adjustment to the Series A2 Conversion Price had been made, including potentially the issuance of new Equity Shares to the A2 Preference Holder, or an Affiliate or designated nominee of a A2 Preference Holder, whereby the A2

Preference Holder, or such Affiliate or designated nominee thereof, are not required to pay any additional amounts for the issuance of such new Equity Shares, if permitted by applicable Law.

(g) In the event the Company should at any time or from time to time after the Tranche III Closing Date fix a record date for the effectuation of a split or subdivision of the outstanding Equity Shares or the determination of holders of Equity Shares entitled to receive a dividend or other distribution payable in additional Equity Shares or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly, additional Equity Shares (hereinafter referred to as "**A2 Equity Share Equivalents**") without payment of any consideration by such holder for the additional Equity Shares or the A2 Equity Share Equivalents (including the additional Equity Shares issuable upon conversion or exercise thereof), then, as of such record date (or the date of such dividend distribution, split or subdivision if no record date is fixed), the Series A2 Conversion Price and A2 Conversion Ratio shall be appropriately decreased so that the number of Equity Shares issuable on conversion of each Series A2 CCPS shall be increased in proportion to such increase of the aggregate of Equity Shares outstanding and those issuable with respect to such A2 Equity Share Equivalents.

(h) If the number of Equity Shares outstanding at any time after the Tranche III Closing Date is decreased by a combination or consolidation (reverse stock split) of the outstanding Equity Shares, then, following the record date of such combination or consolidation (reverse stock split), the Series A2 Conversion Price and A2 Conversion Ratio shall be appropriately increased so that the number of Equity Shares issuable on conversion of each Series A2 CCPS shall be decreased in proportion to such decrease in outstanding Equity Shares.

(i) Subject to the provisions of Clause 12.3 of the SSA, the A2 Conversion Ratio of the Series A2 CCPS may be adjusted at the option of the Indemnified Party, on the basis of the Fair Market Value, such that the number of A2 Conversion Shares increases to make good the Indemnity Amount (as defined in Clause 12.2 of the SSA) payable to the Indemnified Party ("**A2 Indemnity Conversion Ratio**"). Provided however that, in the event the Indemnifying Party pays the Indemnity Amount or part thereof, to the Indemnified Party, the A2 Indemnity Conversion Ratio shall be readjusted such that the number of A2 Conversion Shares is reduced to the extent of the Indemnity Amount (or part thereof), paid to the Indemnified Party. Provided further that, at the time of exit of the Investor in accordance with the terms of the Agreement and the Articles, if the value received by the Investor as a consequence of the exit ("**A2 Exit Value**") and in respect of the A2 Conversion Shares (reckoned as a result of the adjustment of the A2 Conversion Ratio) is greater than the Indemnity Amount, the Investor shall transfer to the Promoters, such number of Investor Shares representing the difference between the A2 Exit Value of the A2 Conversion Shares and the Indemnity Amount. Any Tax liability associated with any such adjustment shall be borne by the Investor.

(j) The A2 Conversion Ratio of the Series A2 CCPS shall also be adjusted at the time of allocation / issuance of any Equity Shares pursuant to the Agreed ESOP by the Company, the intention being that upon allocation / issuance of Equity Securities under the Agreed ESOP, the Investor shall not be diluted and the A2 Conversion Shares to be issued at the time of conversion are increased to the extent of Equity Securities allocated / issued under the Agreed ESOP.

(k) The Conversion Ratio of the Series A2 CCPS shall be adjusted in respect of amounts receivable by CES-FZE, in accordance with the provisions of the Agreement.

(l) The A2 Conversion Ratio of the Series A2 CCPS may be adjusted at the option of the holder of the Series A2 CCPS upon the occurrence of a Liquidity Event in accordance with the formula provided in Clause 3C (a) of the Agreement and Article 22A (c) of these Articles.

(m) The A2 Conversion Ratio of the Series A2 CCPS may be adjusted at the option of the holder of the Series A2 CCPS upon the occurrence of a Liquidation Event in accordance with the formula provided in Clause 3C (b) of the Agreement and Article 22A (b) of these Articles.

(n) The adjustments under this Article 22.4.8 shall not be mutually exclusive.

23.4.9 Conversion Cost. The Company shall bear all expenses arising from the conversion of the Series A2 CCPS as set out in this Article 22, including *inter alia*, any stamp duty applicable on the issuance of share certificates subsequent to conversion of the Series A2 CCPS.

23.4.10 Other Distributions. In the event the Company declares a distribution payable in securities of other Persons, evidences of indebtedness issued by the Company or other Persons, assets (excluding cash dividends) or options or rights not referred to in Article 22.4.8 (a) above, then, in each such case for the purpose of this Article 22.4.10, the A2 Preference Holders shall be entitled to a proportionate share of any such distribution as though they were the holders of the number

Equity Shares into which their Series A2 CCPS are convertible as of the record date fixed for the determination of the holders of Equity Shares entitled to receive such distribution.

23.4.11 Reservation of Equity Shares issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued Equity Shares, solely for the purpose of effecting the conversion of the Series A2 CCPS, such number of its Equity Shares as shall from time to time be sufficient to effect the conversion of all outstanding Series A2 CCPS; and if at any time the number of authorized but unissued Equity Shares shall not be sufficient to effect the conversion of all then outstanding Series A2 CCPS, in addition to such other remedies as shall be available to the A2 Preference Holder, the Company shall take such corporate action as may be necessary to increase its authorized but unissued Equity Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, to obtain the requisite shareholder approval of any necessary amendment to the Articles.

23.4.12 Waiver of Adjustment to Conversion Price. Notwithstanding anything herein to the contrary, any downward adjustment of the Series A2 Conversion Price may be waived, either prospectively or retroactively and either generally or in a particular instance, by the written consent or vote of the Investor. Any such waiver shall bind all future holders of Series A2 CCPS.

22A. Notwithstanding anything contained in these Articles:

(a) The Conversion Ratio of the combined Series A CCPS, Series A1 CCPS and Series A2 CCPS may be adjusted at the option of the holder of the CCPS upon the occurrence of a Liquidity Event in accordance with the formula and illustration thereof as stated below:

$$\text{Conversion Ratio} = \frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount * 2) / Fair Market Value of the Company as on the date of conversion

(b) The Conversion Ratio of the combined Series A CCPS, Series A1 CCPS and Series A2 CCPS may be adjusted at the option of the holder of the CCPS upon the occurrence of a Liquidation Event in accordance with the formula and illustration thereof as stated below:

$$\text{Conversion Ratio} = \frac{[(\text{Total no. of Equity Shares of the Company}) * \text{Investor's Proposed Shareholding} - \text{Existing Equity Shares held by the Investor}] / (1 - \text{Investor's Proposed Shareholding})}{\text{No. of CCPS held by the Investor}}$$

Where,

Investor's Proposed Shareholding = (Investment Amount) / Total liquidation equity valuation of the Company as on the date of conversion

(c) The adjustments under this Article shall not be mutually exclusive.

IX - PRE-EMPTIVE RIGHT OF THE INVESTOR

24. **Pre-emptive Right of the Investor**

24.1. The Shareholders shall have a pre-emptive right of subscription ("**Pre-Emptive Right**") in the event that the Company proposes to undertake any issuance of Equity Securities other than the Exempted Issuances (an "**Issuance**"). A Shareholder shall be entitled to apportion the Pre-Emptive Right hereby granted among itself and its Affiliates in such proportions as it deems appropriate, in which case the Affiliate of the Promoters shall be deemed to be a Promoter for the purposes of the Agreement and the Articles.

24.2. If undertaking an Issuance, the Company shall issue a written notice to the Shareholders ("**Issuance Notice**") setting forth in detail (a) the terms of the proposed issuance, including the proposed issuance price ("**Issuance Price**"), (b) the date of closing of the proposed Issuance (which shall not be less than thirty (30) days from the date of receipt of the Issuance Notice) and (c) the number of Equity Securities proposed to be issued (the "**New Securities**").

24.3. If a Shareholder wishes to exercise its Pre-emptive Right, then within 30 (thirty) Business Days from the delivery of the Issuance Notice, it/ he shall deliver a written notice to the Company, communicating its/ his intention to subscribe, at the price and on the terms specified in the Issuance Notice, up to that portion of such New Securities that equals the proportion that the number of Equity Securities held by such Shareholder (calculated on a Fully-Diluted Basis) bears to the total number of Equity Securities then outstanding (calculated on a Fully-Diluted Basis). In the event that a Shareholder (a "**Non-Participating Shareholder**") is unable to, or does not, for any reason whatsoever, (i) subscribe to its entitlement of the Issuance; and / or (ii) respond within 30 (thirty) Business Days from the delivery of Issuance Notice, then the other Shareholders (each a "**Participating Shareholder**") shall be entitled, by issue of a notice to the Company and the Non-Participating Shareholder, to subscribe either directly or through any of their Affiliates to the unsubscribed Equity Securities of the Issuance in proportion to their shareholding in the Company. In such case, the shareholding of the Non-Participating Shareholder in the Company shall stand diluted to the extent mentioned above.

24.4. If all New Securities that the Shareholder is entitled to obtain pursuant to Article 24.3 above are not elected to be obtained as provided in Article 24.3, then the Board of the Company may, subject to the prior written consent of the Investor, during the ninety (90) day period following the expiration of the period provided in Article 24.3 hereof, offer the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than that, and upon terms no more favorable to the offeree than those, specified in the Issuance Notice. If the Company does not enter into an agreement for the issuance of the New Securities within such period, or if such agreement is not consummated within sixty (60) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investor in accordance with this Article 24.

X - CALLS ON SHARES / DEBENTURES

25. **Calls on Shares/Debentures**

25.1. The Board of Director may subject to the provisions of Section 49 of the Act from time to time to make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times and each members shall pay the amount of every call so made on him to the person and at the time and place appointed by the Directors. A call may be made payable by installments.

25.2. A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed.

25.3. Joint-holder of shares shall be jointly as well as severally liable for calls made on shares held by them.

25.4. No call shall exceed one fourth of the nominal amount of a share and be made payable within one month after the last preceding call was payable.

25.5. Not less than fourteen days' notice on any call shall be given specifying the time and place of payment and to whom such call be paid.

25.6. The Board may, if they think fit, receive from any member willing to advance the same, all or any part of the monies uncalled upon any shares held by him even if no part of the amount is called up, and upon all or any of the monies so advanced may (until the same would, but for such advance, become presently payable) pay interest at such rate (not exceeding 12% per annum without the sanction of the Company in the general meeting) as may be agreed upon between the member paying the sum in advance and the Board. Moneys paid in advance of calls shall not, in respect thereof, confer a right to vote or to dividend or to participate in profits. The Directors may at any time repay the amount so advanced upon giving to such member 3 (three) Months' notice in writing. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting.

26. **Payment in anticipation of call may carry interest**

(a) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon in accordance with the provisions of the Act, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.

(b) No Shareholder shall be entitled to voting rights in respect of the money (ies) so paid by him until the same would but for such payment, become presently payable.

(c) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

XI - SECURITIES CERTIFICATE

27. **Securities Certificate**

27.1. The Company shall issue its securities in dematerialized form.

27.2. Unless the conditions of issue of any shares or debentures provide otherwise, the Company shall, within (i) 2 (two) Months after the allotment of any of its shares; (ii) within 1 (one) Month from the date of receipt of transfer request from the Depository Participant or, as the case may be, of the intimation of transmission,. credit the shares to the holders demat accounts as the case may be in accordance with the provisions of the applicable laws for the time being in force.

27.3. In case the law permits issue physical issue of shares, every certificate shall be under the Seal of the Company and shall specify the share to which it relates and amount paid thereon, and shall bear signature of at least two directors of the Company, and the secretary of the company or any person authorized by the Board of Directors in this regard.

(a) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate, within a period of 30 days from the receipt of such lodgement. Every certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof In this behalf.

The provision of this Article shall mutatis mutandis apply to debentures of the company.

27.4. In respect of share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery and certificate for all securities to one of several joint shall be sufficient delivery to all such security holders.

27.5. The Company shall observe rules and conditions as may be prescribed under the Act and the Companies (Shares and Debentures) Rules, 2014 for renewal of security certificates or issue of duplicate security certificates.

XII - FORFEITURE OF SHARES

28. **Forfeiture of Shares**

28.1. If a member fails to pay any call within the time allowed by the Board of Directors at the time of making a call or subsequently, the Board may issue final notice naming a further date (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made and if the calls remain unpaid till then, the shares may be subject to forfeiture without further notice. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

28.2. Forfeited shares may be restored to the holder thereof on payment of the call money in full, before the forfeited shares are sold to other member of members of the Company or otherwise disposed of.

28.3. Any shares so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to existing members or to any other person upon such terms and conditions and in such manner as the Board shall think fit.

28.4. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall notwithstanding the forfeiture, be liable to pay to the Company all moneys, which at the time of forfeiture were presently payable by him to the Company in respect of the share.

28.5. The Company may receive the consideration, if any, given for the shares on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transfer thereupon shall be registered as the holder share shares.

28.6. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any Shares nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any Shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such Shares as herein provided. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by applicable Law.

XIII - TRANSFER OF SHARES

29. **General**.

Transfer of any Equity Securities by any Shareholder must comply with the provisions of Article 29 and Article 30 and the Company shall not record or register any Transfer that does not satisfy the provisions of Article 29 and Article 30. Any attempt by any Shareholder to Transfer its Equity Securities in contravention of the provisions contained herein shall be considered void and invalid. A common form of transfer should be used.

30. **Conditions on Transfers**

30.1. **Lock-in of Promoter Shares**.

Without limiting any other provision of these Articles, till the consummation of the exit of Investor in accordance with Article 43 of these Articles, the Promoters will not Transfer, or cause to be Transferred, any Equity Securities in the Company, or otherwise achieve or cause to be achieved any liquidity with respect to any Equity Securities of the Company held directly or indirectly by them in the Company and its Subsidiaries, without the prior written consent of the Investor. Should the Investor consent to such Transfer, the same shall be in accordance with and subject to the provisions of these Articles and the Agreement. Provided however that, in the event the Promoters desire to conduct an estate planning of their respective assets, they shall be permitted to Transfer up to 15% (fifteen percent) of their aggregate shareholding in the Company cumulatively to a trust for the benefit of the legal heirs of the Promoters, subject to the trustee of such trust executing a Deed of Adherence. Provided further that the Promoters shall also be permitted to transfer their shareholding in the Company during the lock-in period in the following circumstances:

(a) Encumbrance for the purpose of availing any borrowings by the Company as part of the approved Business Plan and approved in accordance with the terms of the Agreement and the Articles;

(b) a re-organization, consolidation, spin-off, merger, acquisition or other similar transaction by the Company and/or Subsidiaries approved in accordance with the terms of the Agreement and the Articles; and

(c) any transmission of shares by operation of Law.

30.2. **Right of First Offer.**

(a) Subject to Article 30.1 above (Lock-in of Promoter Shares) and Article 30.5 (Right of First Refusal) below, if any Shareholder ("**Transferring Party**") proposes to Transfer within 60 (sixty) months from the Closing Date, any or all of the Equity Securities held by such Transferring Party in the Company to a Third Party (other than a Competitor), then the Transferring Party shall first offer all but not less than all of the Equity Securities held by it ("**ROFO Securities**") to the other Shareholders ("**Non-Transferring Party**") (such a right being referred to as "**Right of First Offer**"). Such Right of First Offer shall be exercisable in the manner set out below. Any right/ action under this Article 30.2 to be exercised by the Promoters as a Non-Transferring Party shall be exercised by the Promoters as a block and not by each Promoter separately or independently.

(b) The Transferring Party shall issue a written notice ("**ROFO Notice**") to the Non Transferring Party stating therein: (a) the name of the Transferring Party, (b) its/ his intention to sell the ROFO Securities, and (c) the number of Equity Securities held by the Transferring Party in the Company as on the date of such ROFO Notice.

(c) Within a period of 60 (sixty) calendar days from the date of receipt of the ROFO Notice, the Non Transferring Party shall be entitled to respond to the ROFO Notice in writing (such notice, an "**Offer Response Notice**") indicating its acceptance, the price offered for such ROFO Securities ("**Offer Price**") and reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Non-Transferring Party for the purchase of ROFO Securities.

(d) Within 15 (Fifteen) Business Days after receipt of the Offer Response Notice, the Transferring Party shall provide a written notice to the Non-Transferring Party, either accepting or rejecting the Offer Price ("**ROFO Acceptance Notice**"). If the ROFO Acceptance Notice is not provided within aforementioned time then the ROFO Notice shall be deemed to have been rejected. If the Offer Price is accepted, the Transferring Party shall consequently Transfer the ROFO Securities to the Non-Transferring Party within 90 (ninety) calendar days from the date of the ROFO Acceptance Notice. If the Non-Transferring Party has rejected the offer set forth in the ROFO Notice or if the Offer Price is rejected by the Transferring Party, the Transferring Party shall be entitled to Transfer the ROFO Securities to a Third Party within a period of 90 (ninety) calendar days from the date of Offer Response Notice of ROFO Acceptance Notice as the case may be ("**Offer Period**"), subject to the provisions of Article 30.3 (*Tag-Along Right*) and provided (i) the Transferring Party shall not offer the ROFO Securities to a Third Party at a price lesser than the Offer Price and/or on terms which are more favourable to the Third Party as compared to the terms offered by the Non-Transferring Party; and (ii) such Third Party buyer executes a Deed of Adherence agreeing to abide by the terms and conditions of the Agreement. For the avoidance of doubt, the Third Party referred to in this Article 30.2 shall not include a Competitor.

(e) The Offer Period shall be extended to the extent required to obtain approval(s), required if any, under the applicable Law. The Transfer of the ROFO Securities as per applicable Law (including delivery of share certificates, etc.) and the payment of the Offer Price for the ROFO Securities shall occur simultaneously. The Transferring Party shall provide customary representations and warranties with respect to title of the ROFO Securities (including that the title is free from all Encumbrances) and authority to sell.

(f) Each Party shall bear its own costs and expenses incurred in connection with the exercise of Right of First Offer provided to such Party under this Article 30.2. All stamp duty and other transfer Taxes in relation to the Transfer of the ROFO Securities to the Non Transferring Party (other than those in nature of capital gains tax) shall be borne by the Company.

(g) In the event that such Transfer is not consummated within the Offer Period, the Transferring Party shall not be permitted to sell the ROFO Securities pursuant to this Article 28.2 without again complying with each of the requirements of this Article 30.2.

(h) The Non Transferring Party shall be entitled to nominate any of its Affiliates, at its sole discretion, to acquire/ hold the ROFO Securities pursuant to the provisions of this Article 30.2.

30.3. **Tag Along Rights**.

(a) If the Non-Transferring Party is the Investor and the Investor does not intend to exercise the Right of First Offer under Article 30.2 above ("**Non ROFO Exercising Party**") or does not respond to the ROFO Notice within a period of 60 (sixty) calendar days from the date of receipt of the ROFO Notice, the Transferring Party being the Promoters in this case, shall deliver a written notice to the Non ROFO Exercising Party ("**Sale Notice**") stating: (a) that it/ they intend to Transfer the ROFO Securities ("**Sale Securities**") to a Third Party (the "**Proposed Buyer**"); (b) the name of the Proposed Buyer; (c) the price and the key terms and conditions on which the Sale Securities are proposed to be Transferred to the Proposed Buyer; and (d) the number of Sale Securities proposed to be Transferred to the Proposed Buyer. Any right/ action under this Article 30.3 to be exercised by the Promoters shall be exercised by the Promoters as a block and not by each Promoter separately / independently.

(b) Subject to the provisions of this Article 30.3, within a period of 15 (Fifteen) calendar days from the date of receipt of the Sale Notice ("**Tag Exercise Period**"), the Non ROFO Exercising Party ("**Tag Along Party**"), shall have the right (but not the obligation), ("**Tag Along Right**") to offer all or part of the Equity Securities held by the Tag Along Party to the Proposed Buyer ("**Tag Securities**") and at a price and on terms and conditions no less favourable than those offered to the Transferring Party by the Proposed Buyer by intimating the Transferring Party in writing ("**Tag Along Notice**"). The Parties agree that the Tag Along Right under this Article 30.3 is only a right of the Investor and shall not be available to the Promoters. The number of Tag Securities shall not exceed the product of the total number of Equity Securities held by the Tag Along Party on a Fully Diluted Basis and the fraction, the numerator of which shall be number of Sale Securities proposed to be transferred by the Transferring Party and the denominator of which shall be the total number of Equity Securities outstanding in the Company on a Fully Diluted Basis. Provided however that, where the Transferring Party is the Promoters (acting as block) and such Transfer results in a change of control, the Investor shall be entitled to Transfer all of their Equity Securities to the Proposed Buyer.

(c) If the Tag Along Party has exercised its Tag Along Right by sending a Tag Along Notice to the Transferring Party, within the Tag Exercise Period, the Transferring Party shall intimate this to the Proposed Buyer. If the Proposed Buyer is willing to purchase all the Tag Securities, then the Transferring Party, the Tag Along Party and the Proposed Buyer shall complete the transfer of all the Sale Securities and Tag Securities, at the price and on the terms and conditions as mentioned in the Sale Notice. If, however, the Proposed Buyer cannot or is not willing to purchase all of the Tag Securities, then the Transferring Party shall not be entitled to transfer the Sale Securities to the Proposed Buyer and such Transferring Party shall be obligated to follow the procedure set out in Article 30.2 (*Right of First Offer*) and this Article 30.3 for any subsequent sale of any securities held by the Transferring Party.

(d) In the event the Non ROFO Exercising Party does not exercise its Tag Along Right within the Tag Exercise Period, then the Transferring Party shall be entitled to Transfer all but not less than all of the Sale Securities to the Proposed Buyer on the terms set out in the Sale Notice, within a period of 90 (ninety) calendar days from the date of expiry of the Tag Exercise Period ("**Sale Period**"). The Sale Period shall be extended to the extent required to obtain approval(s), required if any, under the applicable Law.

(e) In the event that the Transferring Party is unable to Transfer the Sale Securities within the Sale Period (including any period extended in accordance with Article 30.3(d)), then such Transferring Party shall be obligated to follow the procedure set out in Articles 30.2 and this Article 30.3 for any subsequent sale of any securities held by the Transferring Party.

30.4. **Limitations to Rights of First Offer and Tag-Along Right**. Notwithstanding the provisions of Articles 30.2 and 30.3, the Right of First Offer and the Tag-Along Right of the Investor shall not apply to any sale of Equity Securities to the public pursuant to an IPO (including a QIPO).

30.5. **Right of First Refusal**

(a) In the event the Investor proposes to Transfer any Equity Securities of the Company to a Competitor within 60 (sixty) months from the Closing Date (in each case "**ROFR Sale Period**"), then the Investor shall give to the Promoters, a written notice of the Investor's intention to make the Transfer accompanied by the term sheet or letter of intent provided by the Competitor recording the proposed terms of such Transfer (the "**ROFR Notice**"). The ROFR Notice shall include (i) a description of the Equity Securities to be transferred (the "**Offered Securities**"), (ii) the name(s) and address(es) of the Competitor, and (iii) the purchase price proposed to be paid for the Offered Securities.

(b) If the Promoters intend to purchase the Offered Securities, the Promoters may respond to the ROFR Notice indicating their acceptance to purchase the Offered Securities by themselves, along with reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Promoters for the purchase of Offered Securities ("**Exercise Notice**") within 30 (Thirty) calendar days of the receipt of the ROFR Notice ("**ROFR Exercise Period**").

(c) Within 30 (thirty) calendar days from the date of dispatch of the Exercise Notice, ("**ROFR Confirmation Period**"), the Promoters shall have the right to provide to the Investor, confirmation of the Promoters' willingness to purchase the Offered Securities ("**ROFR Confirmation Notice**").

(d) Within 60 (Sixty) calendar days of dispatch of the ROFR Confirmation Notice ("**Purchase Period**"), the Promoters shall be obligated to purchase the Offered Securities from the Investor and the Investor shall be obligated to Transfer the Offered Securities to the Promoters. Any transfer of the Offered Securities to the Promoters shall be completed within the Purchase Period. In case of failure of the Promoters to purchase the Offered Securities within the Purchase Period, the Investor shall have the right to either sell the Offered Securities in accordance with Article 30.5(e) hereinbelow, or trigger an Event of Default whereupon the Drag Right as provided under the provisions of Article 45.2 shall apply. If and only if the Offered Securities constitute all of the Equity Securities held by the Investor, then the Promoters shall have the right to purchase such Offered Securities through its nominee.

(e) If (i) the Promoters do not deliver the Exercise Notice within the ROFR Exercise Period; or (ii) the Promoters do not deliver the ROFR Confirmation Notice within the ROFR Confirmation Period; or (iii) the Promoters deliver the ROFR Confirmation Notice, but fail to purchase the Offered Securities within the Purchase Period (either through themselves or through any Third Party or nominee), then the Investor shall have 90 (ninety) calendar days from the expiry of the ROFR Exercise Period or the Purchase Period, as the case may be ("**Free Sale Period**"), within which it can transfer the Offered Securities on the terms set out to the relevant transferee stated in the ROFR Notice.

(f) Notwithstanding the above, if the Offered Securities are Transferred to a Competitor prior to expiry of 60 (sixty) months from the Closing Date, such Competitor shall not be entitled to exercise the following rights under the Agreement:

(i) Pre-emptive right (Article 24);

(ii) Reserved Matter in respect of any amendment to the Articles that may adversely affect the rights of such Competitor.

30.6. **Transfer to Competitor**. In case of any Transfer of Equity Securities by the Investor to a Competitor after the expiry of 60 (sixty) months from the Closing Date, the Competitor shall be entitled to all the rights (except rights relating to exit under Article 43) of the Investor under the Agreement.

30.7. Prior to the transfer of Offered Securities by the Investor to the Competitor in accordance with the provisions of Article 30.5, all the Offered Securities shall first automatically and mandatorily convert into Equity Shares of the Company in accordance with provisions of Article 17.2 and Article 17.5 and the Equity Shares into which the Offered Shares are converted shall then be transferred to the Competitor.

30.8. **Transfer to Affiliates**. The Investor shall be permitted to Transfer their Equity Securities to any of its Affiliates without complying with provisions of this Article 30, provided that such Affiliate executes the Deed of Adherence.

30.9. **Consents**. The purchase or sale/Transfer under this Article 30 shall be subject to the necessary Consents being obtained. The Company and the Transferring Party, shall each use their best endeavors to obtain the necessary Consents. Time periods specified in this Article 30 shall be extended by the time taken to obtain necessary Consents.

30.10. **Director's powers to refuse to register a transfer**. Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the Person giving notice of such transmission, as the case may be, giving reasons for such refusal.

Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except when the Company has a lien on the shares.

Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.

30.11. **Instrument of Transfer**

(a) The instrument of transfer of any Share shall be in writing and all the provisions of the Act shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialised form, the provisions of the Depositories Act shall apply.

In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply. The Company shall cause to be kept a register and index of members / beneficial owners in accordance with all applicable provisions of the Companies Act, 2013 and the Depositories Act, 1996 with details of shares held in physical and dematerialised forms in any medium as may be permitted by law including in any form of electronic medium. The Company shall be entitled to keep in any State or Country outside India a branch register of beneficial owners / Register of Members, resident in that State or Country. The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Securityholders for the purposes of these Articles.

(b) (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act.

(ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.

(c) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

XIV - TRANSMISSION OF SHARES/ DEBENTURE

31. **Transmission of Shares/Debentures**

31.1. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or the heir of the deceased or his legal representative shall be the persons recognized by the Company as having any title or interest in the shares/ debentures.

31.2. Nothing in Article 31.1 above, shall release the estate of a deceased joint holder from any liability in respect of any share/debenture which has been jointly held by him with other persons.

31.3. Any heir or successor being owner of the shares in consequence of the death of the member, upon such evidence being produced as may properly be required by the Board elect either (i) to register his or their names as the holders of the shares or (ii) to make arrangement to transfer of shares in the way as the deceased member could have made in accordance with the transfer clause of these Articles.

31.4. If the person or persons aforesaid shall elect to transfer the shares, he shall testify his election by executing a transfer of the share, in conformity with the transfer clause of these Articles.

31.5. A person becoming holder of share on such transmission, shall become member of the Company entitled to the same dividends and advantages as his predecessors would have otherwise enjoyed, but if he be a minor, lunatic or insolvent, he shall have no voting right.

31.6. The person so becoming entitled and willing to elect to be registered holder of the share shall deliver or send to the Company a notice in writing stating that he so elects.

31.7. The Board shall register his name in place of the deceased member.

31.8. If the persons aforesaid fails to elect either to be registered himself to transfer the share, the Board on having confirmation of the event of the death of the member shall serve a notice to person asking him to comply with the requirement within three months of the issue of the notice failing which Board may thereafter withhold payment of all dividends, bonuses or other money payable in respect of the share.

31.9. If nothing is done within three months, the Company shall issue a notice in the local newspaper asking the legal heirs or the legal representative of the deceased member whether to be registered as shareholders or to transfer the said shares in conformity with these Article three months thereafter, and if nothing is done within the said period, the shares shall be liable to forfeiture and the forfeiture clause of these Articles shall prevail. The forfeited shares may be re-issued to the member at the called up value of the shares and forfeited amount be transferred to the Capital Reserve Account or dealt with as the Board of Directors shall think fit.

31.10. The Company shall have a first and paramount lien on (i) every share, not being a fully paid share, for all moneys, whether presently payable or not, called or payable in respect of the share and (ii) on all shares, not being fully paid shares, standing in the name of any person, for all moneys, presently payable by him, provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of the clause.

31.11. The Company's lien, if any, on a share shall extend to all dividends payable thereon.

31.12. For the purpose of enforcing such lien as aforesaid the Directors may sell the Shares subject thereto in such manner as they shall think fit, but no sale shall be made:

(a) Unless a sum in respect of which the lien exists is presently payable; and

(b) Until the expiration of seven days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien exists and as is presently payable, has been given to the registered holder for the time being of the Share or to the person entitled thereto by transmission, and default shall have been made by him in payment of the sum payable as aforesaid for seven days after such notice.

The residue, if any, shall be paid to the person entitled by transmission to the shares so sold at the date of the sale.

31.13. The fully paid up Shares shall be free from all lien and in the case of partly paid up Shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such Shares.

32. **COMPANY'S LIEN**:

i. On shares:

(a) The Company shall have a first and paramount lien:

(i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on such partly paid shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.

(c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully Paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed time in respect of such shares.

(d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

(e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

(a) The Company shall have a first and paramount lien:

(i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

(b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.

(c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that

in case of partly paid Debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

(d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the Person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

(e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

XV - ANTI-DILUTION

33. **Anti-dilution**

33.1. Subject to Article 38 (*Reserved Matters*), if at any time after the Closing Date, the Company issues to any Third Party, any Equity Securities, at a price per share that is lower than the price at which the Investor subscribed to the Series A CCPS (such an event being referred to as a "**Dilution Event**"), then the Investor shall be entitled to a broad-based weighted average anti-dilution protection in accordance with this Article 33.2 below simultaneously with such Dilution Event or at such other time as may be indicated by the Investor at the Investor's sole option.

33.2. **Broad-Based Anti-Dilution Protection**

(a) Relevant Calculations:

(i) Determine Anti-dilution Price (i.e., Broad Based Weighted Average Share Price) in the following manner:

$$\frac{\text{(OS immediately prior to the Dilution Event x Investor Price Per Share)} + \text{AC}}{\text{OS immediately following issuance}}$$

Where:

"**OS**" means the number of Equity Shares issued and outstanding on a Fully Diluted Basis,

"**Investor Price Per Share**" means the fraction, the numerator of which is the Investment Amount and the denominator of which is the total number of Investor Shares, and

"**AC**" means the aggregate consideration to be received by the Company in connection with the new issuance.

(ii) Determine number of Equity Shares that Investor would have received if the Investor had paid the Anti-dilution Price for the Equity Shares or Equity Securities convertible into Equity Shares subscribed by it, by dividing the aggregate consideration paid by Investor pursuant to the Share Subscription Agreement by the Anti-dilution Price.

(iii) The number of additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares to be issued to the Investor (i.e., Additional Securities) shall equal the number of Equity

Shares or instruments/ Equity Securities convertible into Equity Shares that Investor would have received as determined pursuant to II above minus the number of Equity Shares or instruments/ Equity Securities convertible into Equity Shares actually held by the Investor.

(b) In performing the foregoing calculations, the following provisions shall be applicable:

(i) In a Dilution Event, in the case of the new issuance being for cash, the aggregate consideration shall be deemed to be the amount of cash paid therefor before deducting therefrom any discounts, commissions or placement fees payable by the Company to any underwriter or placement agent in connection with the issuance and sale thereof.

(ii) In a Dilution Event, in the case of the new issuance being for a consideration, in whole or in part other than cash, the consideration other than cash shall be deemed to be the Fair Market Value thereof.

(iii) In the case of the Dilution Event involving the issuance of options to purchase or rights to subscribe to Equity Shares, securities by their terms convertible into or exchangeable for Equity Shares, or options to purchase or rights to subscribe for such convertible or exchangeable securities (other than Equity Shares, options or other securities issued under any ESOP or Equity Shares, options or other securities issued upon the exercise thereof):

(A) the aggregate maximum number of Equity Shares deliverable upon exercise of such options to purchase, exercise of rights to subscribe for Equity Shares or conversion of or in exchange for any such convertible exchangeable securities, shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided above), if any, received by the Company upon the issuance of such options or rights plus the exercise price provided in such options or rights for the Equity Shares covered thereby;

(B) on any increase in the number of shares or decrease in exercise price of Equity Shares deliverable upon exercise of any such options or rights or conversions of or exchanges for such securities, other than a change resulting from the anti-dilution provisions thereof, the Weighted Average Share Price shall be readjusted retroactively to give effect to such increase or decrease and additional Equity Shares shall be issued to the Investor;

(C) on any decrease in the number of shares or increase in exercise price of Equity Shares deliverable upon exercise of any such options or rights or conversions of or exchanges for such securities, the Weighted Average Share Price shall be readjusted retroactively to give effect to such decrease or increase; and

(D) no further adjustment shall be made as a result of the actual issuance of Equity Shares on the exercise of any such rights or options or any conversion or exchange of any such securities.

(iv) All references to Equity Shares shall be on a Fully Diluted Basis.

(v) All calculations of the Anti-dilution Price shall be made to the nearest one one-hundredth of a Rupee.

(vi) In the event that of the Additional Securities, determined in the manner provided above, being a fraction, such number shall be round up to the nearest whole share as follows:

(A) in case the fraction is up to 0.49, then the number of shares to be issued shall be rounded off to the next lower number; and

(B) in case the fraction is 0.5 or more, then the number of shares to be issued rounded off to the next higher number.

33.3. In such a Dilution Event, the Company shall forthwith take all necessary steps, at the sole option of the Investor, but subject to applicable Law, to (i) adjust the Conversion Ratio such that the number of Conversion Shares increases in accordance with calculation made pursuant to the broad-based weighted average anti-dilution protection in accordance with Article 33.2 above (*Broad Based Anti-Dilution Protection*); or (ii) issue additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares to the Investor, either directly and/or to their respective nominees (as may be opted by the Investor), at such time as indicated by the Investor and for no additional consideration or consideration other than cash and if not permissible under applicable Law, at the lowest permissible consideration

under applicable Law such that the Investor price per share is reduced to the price arrived at pursuant to the calculations made in accordance with Article 33.2 above.

33.4. In case of a Corporate Action Event, the Company shall forthwith take all necessary steps, at the sole option of the Investor, to (i) adjust the Conversion Ratio such that the number of Conversion Shares increases in accordance with calculation made pursuant to the broad-based weighted average anti-dilution protection in accordance with Article 33.2 above; and/or (ii) issue additional Equity Shares or instruments/ Equity Securities convertible into Equity Shares to the Investor, either directly and/or to their respective nominees (as may opted by the Investor), at such time as indicated by the Investor and for no additional consideration or consideration other than cash and if not permissible under applicable Law, at the lowest permissible consideration under applicable Law, the effect of which shall be such that there is no Dilution Event on account of such Corporate Action Event.

33.5. For the purposes of this Article 33, the Parties shall be bound to co-operate with each other. Further, if the adjustment as contemplated in this Article 33 cannot be undertaken due to applicable Law, then the Parties shall mutually discuss and agree on an alternative to achieve the adjustment as aforesaid including without limitation through the issuance of rights shares, bonus shares, etc. to the Investor or its nominee as the case may be.

33.6. Nothing contained in this Article 33 shall apply to the following categories of issuance of Equity Securities by the Company:

(a) Equity Securities issued pursuant to any ESOP or options granted under such ESOP;

(b) Equity Securities issued to the Investor and/or its nominees pursuant to this Article 33;

(c) The issuance of Equity Securities in an IPO or QIPO;

(d) Equity Shares issued upon conversion of the Series A CCPS into Equity Shares; and

(e) Equity Securities issued to banks and/or financial institutions pursuant to any credit facilities availed after the date of the Agreement with the written consent of the Investor.

XVI - AFFILIATES

34. Notwithstanding any other provision of these Articles, but subject to execution of the Deed of Adherence, the Investor and/or its Affiliate/s may, at any time and from time to time during the subsistence of the Agreement, acquire any new Shares or other Equity Securities offered to them by the Company, the Promoters and/or the other Shareholders under the provisions of the Agreement and/or transfer any existing Shares or other Equity Securities of the Company held by them to one or more of their Affiliates.

XVII - INFORMATION, REPORTING, INSPECTION AND ACCOUNTING STANDARDS

35. **Information, Reporting, Inspection And Accounting Standards**

35.1. The Company shall provide to the Investor:

(a) within 5 (five) Business Days from the last day of each month, copies of Management Reports;

(b) within 150 (one hundred and fifty) calendar days following the closure of the preceding Financial Year, annual (audited) Financial Statements prepared in accordance with Indian GAAP;

(c) within 30 (thirty) days after the end of each financial quarter, standalone unaudited Financial Statements for the Company and the Subsidiaries prepared in accordance with Indian GAAP;

(d) within 45 (forty five) days after the end of each financial quarter, consolidated unaudited Financial Statements for the Company and the Subsidiaries prepared in accordance with Indian GAAP;

(e) within 30 (thirty) days after the end of each financial quarter, internal quarterly income and cash flow statements for the Company and the Subsidiaries;

(f) within 25 (twenty five) days after the end of each month, internal monthly MIS and marketing reports of the Company and the Subsidiaries in a format mutually agreed between the Promoters and the Investor prior to Closing.

(g) any other material information including correspondence with the Company's and the Subsidiaries' auditors, material litigation, any relevant filings are made with regulatory agencies etc.; and

(h) such other information and periodical reports as the Investor reasonably requires.

35.2. Upon the Investor giving the Company and/ or relevant Subsidiary at least 3 (three) days prior notice and at the cost of the Investor unless a specific material breach or a probable material breach is proposed to be investigated by the Investor, the Investor and its representatives may, during normal business days and hours, (i) inspect and examine and take copies of the Books and Records and Accounts kept by the Company, (ii) access/inspect all properties of the Company, including, but not limited to, the office premises of the Company; and (iii) discuss, consult and/or interview the Business, action plans, budgets and finances and other aspects related to the Company and the Subsidiaries with the Directors and/or the Key Management Team of the Company and the Subsidiaries. All information provided by the Company and/or its Subsidiaries under this Article 35 shall be deemed to be Confidential Information and shall be subject to confidentiality obligations under clause 28.1 of the Agreement.

35.3. The Company shall maintain a system of accounting established and administered in accordance with Indian GAAP, as appropriate and as applicable, consistently applied, and will set aside on its books all such proper reserves as shall be required by applicable Law.

XVIII - REGISTRATION RIGHTS

36. **Registration Rights**

36.1. If any Equity Shares or other Equity Securities of the Company are listed or proposed to be listed on one or more stock exchanges overseas, then upon the request of the Investor, the Company shall take all such steps, do all such things, execute all such writings and make all regulatory applications and filings as may be required by Law for permitting or facilitating the unrestricted sale and distribution of the Equity Securities held by the Investor on such exchanges to the extent permissible by applicable Law, such that the Equity Securities held by the Investor are freely transferable on such stock exchanges ("**Registration Rights**").

36.2. The Investor shall be entitled to demand that (i) all or part of the Equity Securities held by the Investor be converted into American Depository Receipts or Global Depository Receipts as permissible under applicable Law; and (ii) the Company register the Equity Securities of the Company held by the Investor with appropriate and necessary regulatory authorities required in connection with such offering. Such registration shall be at the expense of the Company, to the extent permissible under Law. Such offerings will be subject to limitations recommended by an independent qualified advisor.

36.3. The Investor will be entitled to piggyback rights (to make an Offer for Sale simultaneously) in all primary offerings and all other secondary offerings of the Company in connection with the Registration Rights, and will, subject to applicable Law, pay such expenses incurred in all piggyback registrations and expenses toward any such offering pro rata to its participation.

XIX - GENERAL MEETING

37. **General Meeting**

37.1. An annual general meeting of the Shareholders of the Company shall be held within six (6) months of the end of each financial year of the Company subject to any extension provided by the registrar of companies. Subject to the foregoing, the Board or the Parties may convene an extraordinary general meeting of the Shareholders of the Company whenever they deem appropriate.

37.2. At least Twenty-one (21) days prior written notice of every general meeting of members shall be given to all Shareholders whose names appear on the register of members of the Company. A general meeting may be called after giving shorter notice than that specified above if consent, in writing or by electronic mode, is accorded thereto —

(i) in the case of an annual general meeting, by not less than ninty-five per cent. of the members entitled to vote thereat; and

(ii) in the case of any other general meeting, by members of the company majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or

37.3. The notice of each general meeting of Shareholders shall include an agenda setting out the place, date and time and business proposed to be transacted at the meeting, together with copies of all relevant papers connected therewith and/or proposed to be placed before or tabled at the general meeting and not business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.

37.4. The Chairman of a general meeting of the Company shall not have any second or casting vote. The Chairman of the Board shall be the Chairman for all general meetings, unless the meeting is called by the Investor, in which case the Investor will appoint the Chairman for that meeting.

37.5. Any shareholder of the Company may appoint another Person as his proxy (and in case of a corporate shareholder, an authorized representative) to attend a meeting and vote thereat on such shareholder's behalf, provided that the power given to such proxy must be in writing.

37.6. **Quorum**. The quorum for a general Meeting of the Shareholders, shall be as provided under the Act and must include at least 1 (one) authorized representative of the Investor (unless waived by the Investor in writing) and an authorized representative of the Promoter, in order to constitute a valid quorum for the meeting. If on the date of the general meeting, a valid quorum is not present, the meeting shall automatically stand adjourned to the same day and time and at the same venue in the following week; *provided that* (A) no business or items not being part of the agenda of the original meeting shall be dealt with in such adjourned meeting; and (B) no business concerning any of the Reserved Matters shall be discussed or approved at such adjourned meeting unless such Reserved Matter has been approved in writing by the Investor and the Company has received such written approval prior to the meeting.

37.7. **Voting Rights available to the holders of Series A CCPS.**

(a) With respect to voting rights exercised at any meeting of the Shareholders of the Company, the holders of Series A CCPS shall enjoy such voting rights available to the extent permissible pursuant to the Act, carry voting rights as if Series A CCPS have been fully converted into Equity Shares.

(b) Each Series A CCPS shall entitle the holder to the number of votes equal to the number of Equity Shares into which such Series A CCPS could then be converted. To this effect, each Shareholder holding Shares with voting rights agrees that, if applicable Law does not permit any holder of Series A CCPS to exercise voting rights on all or any Shareholder matters submitted to the vote of the Shareholders of the Company (including the holders of Equity Shares) (the "**Non-Voting Preference Shares**"), then until the conversion of all such Non-Voting Preference Shares into Equity Shares, each Shareholder shall vote in accordance with the instructions of the holders of such Non-Voting Preference Shares at a general meeting of the Shareholders or provide proxies without instructions to the holders of the Non-Voting Preference Shares for the purposes of a general meeting of the Shareholders, in respect of such number of Equity Shares held by each of them such that a relevant percentage (the "**Relevant Percentage**") of the Equity Shares of the Company are voted in the manner required by the holders of the Non-Voting Preference Shares. For the purposes of this Article 37.7(b), the Relevant Percentage in relation to a holder of Non-Voting Preference Shares shall be equal to the percentage of Equity Shares in the Company that such Non-Voting Preference Shareholder would hold if such Non-Voting Preference Shareholder was to elect to convert its Series A CCPS into Equity Shares based on the then applicable Conversion Ratio for each Series A CCPS held by such holder. The obligation of the Shareholders to vote their Shares as aforesaid shall be pro-rated in accordance with their inter se shareholding in the Company.

(c) Provisions of section 47 of the Act shall not apply to the Company and members shall vote in accordance with the provisions in these Articles.

XX - ITEMS OF BUSINESS REQUIRING CONSENT OF THE INVESTOR

38. **Reserved Matters**

38.1. The Company shall, and each of the Shareholders shall, exercise or refrain from exercising all rights and powers available to it to procure that from the Closing Date, no resolution (whether of the Shareholders or the Directors, including committees of Board of the Company) or action constituting any of the matters set out in Article 38.6 (the "**Reserved Matters**") shall be passed or undertaken or occur with respect to the Company or any of the Subsidiaries (each a "**Group Company**") unless so approved in accordance with the provisions of this Article 38. Without prejudice to the foregoing, the Company shall, and each of the Shareholders shall, procure that resolutions passed in breach of this Article 35 (i.e. on any Reserved Matter on which the Investor Nominee Directors or any of the Investors have, pursuant to Articles 38.2, 38.3 and 38.4, not given their affirmative vote), shall not be effective. For the avoidance of doubt, it is clarified that the Promoters positive vote on all matters required to be undertaken by the Company and/or Subsidiaries shall be mandatory.

38.2. In respect of the Company:

(a) a Reserved Matter which requires Board approval (under applicable Law, the Articles or any constitutive documents) shall not occur unless it has first been approved by the Board of the Company which shall include the affirmative vote of an Investor Nominee Director; and

(b) a Reserved Matter which requires shareholder approval (under applicable Law, the Articles or any constitutive documents) shall not occur unless it has first been approved by the Shareholders which shall include the affirmative vote of the Investor.

38.3. In respect of a Group Company (other than the Company):

(a) a Reserved Matter which requires Board approval (under applicable Law, the articles of association or any constitutive documents of such Group Company) shall not occur unless:

(i) in the case of a Group Company (in respect of which, the Investor has exercised its right to appoint directors), it has first been approved by the Board of such Group Company which shall include the affirmative vote of the director appointed by the Investor to the Board of such Group Company; and

(ii) in the case of a Group Company (in respect of which the Investor has not exercised its right to appoint directors), it has first been approved by the Board of such Group Company in accordance with the following procedure:

(A) such Reserved Matter shall not occur unless it has first been approved by the Board of such Group Company which shall include the affirmative vote of the director appointed by the Company to the Board of such Group Company;

(B) for the purposes of this Article 38.3(a)(ii), the director appointed by the Company to the Board of such Group Company shall, subject to applicable Law, the articles of association or any constitutive documents of such Group Company, be instructed to vote in accordance with the prior decision taken by the Board of the Company in respect of a relevant Reserved Matter which shall, for the avoidance of doubt, include the affirmative vote of an Investor Nominee Director; and

(C) if, due to any reason whatsoever, the director appointed by the Company to the Board of such Group Company is unable to vote at the Board meeting of such Group Company in respect of the Reserved Matter in accordance with such instructions, such director shall insist (subject to applicable Law, the articles of association or any constitutive documents of such Group Company), that the Reserved Matter be discussed at a general meeting of such Group Company, in which case the procedure set out in Article 38.3(b) shall be adhered to.

(b) a Reserved Matter which requires shareholder approval (under applicable Law, the articles of association or any constitutive documents of the relevant Group Company) shall not occur unless it has first been approved by the shareholders of such Group Company (whether or not the Investor has appointed directors to the Board of such Group Company) which shall include the affirmative vote of the Company. For the purposes of this Article 38.3(b), the Company shall vote in accordance with the prior decision taken by the Board of the Company in respect of the relevant Reserved Matter which shall, for the avoidance of doubt, include the affirmative vote of an Investor Nominee Director.

38.4. For the purposes of this Article 38, a decision to be taken by the Board of the Company may be taken by way of a circular written resolution of the Board in lieu of a physical Board meeting, such resolution to include the affirmative vote of Investor Nominee Directors.

38.5. If any other provision of these Articles conflicts with the provisions of this Article38, the provisions of this Article 38 shall prevail and be given effect.

38.6. The following matters shall be the Reserved Matters in relation to the Company:

(a) Any change to the name and/ or registered office of the Company and/ or the Subsidiaries;

(b) Changes in the Articles and Memorandum of the Company and/ or the Subsidiaries;

(c) Any substantial diversification, modernization, modification or expansion of the Business either through the Company and its Subsidiaries and/ or any new entity set up for such purpose;

(d) Change in the shareholding pattern or capitalization structure of the Company and/ or the Subsidiaries, except to the extent permitted under the Transaction Documents;

(e) Issuance of new Equity Securities by the Company and/ or the Subsidiaries;

(f) Any change in terms of any Equity Securities by the Company and/ or the Subsidiaries that adversely affects the rights of the Investor;

(g) Issuance of any debt securities by the Company and/ or the Subsidiaries;

(h) Redemption, buyback (except as contemplated in the Agreement), reduction of capital or cancellation or reduction of any of the Equity Securities of the Company and/ or the Subsidiaries;

(i) Formulation, adoption of, or change of, ESOP including with respect to Company and/ or the Subsidiaries except to the extent specifically contemplated under the Transaction Documents;

(j) Creation of any Encumbrance on the securities of the Company and/ or the Subsidiaries or providing lenders with an option to acquire/ subscribe to Securities in the Company and/ or the Subsidiaries;

(k) Distribution or payment of dividends other than in compliance with the dividend policy of the Company or any changes in the dividend policy of the Company;

(l) Amending or terminating or agreeing to amend or terminate any material contracts or any arrangements, having a value in excess of INR 2,00,00,000 (Rupees Two Crores only);

(m) Any Related Party transactions by the Company and/ or the Subsidiaries except for those undertaken in compliance with provisions of Article 41.1 and for the avoidance of doubt, including but not limited to loans, borrowings and investments in any form whatsoever, but specifically excluding any business transactions inter-se the Company, Reva, RSS, CES-FZE, BWTT and CES Mexico;

(n) Any transactions with Affiliates of Promoters and/ or the Key Management Team, excluding payments of salaries under the respective employment agreements;

(o) Making of a public offering of the shares of the Company, except as contemplated by the Agreement, including the size and timing of the issue, price of the shares and appointment of the investment bankers, legal advisors and any and all other intermediaries in connection with such a public offering;

(p) Any borrowing, indebtedness, issuance, incurrence or guarantee by the Company or its Subsidiaries of any indebtedness or creation of Encumbrance in relation to assets of the Company, other than as contemplated in the Business Plan and in excess of an aggregate of INR 2,00,00,000 (Rupees two crores only), in any Financial Year;

(q) Prepayment or repayment of any loans or borrowings not in accordance with the ordinary repayment schedule applicable with respect to such loans or borrowings;

(r) Formation of subsidiaries or entering into joint ventures or any investments/ divestments by the Company and/ or any Subsidiary;

(s) Formulation and approval of the Business Plan of the Company and/ or the Subsidiaries;

(t) Any change to the Business Plan in excess of 5% of the relevant parameter or line item in the Business Plan;

(u) Entering into contracts or any other arrangements which result in exclusivity or non-compete restriction or that restrict the ability of the Company to carry on Business in any part of the world;

(v) Unless provided for in the Business Plan, capital expenditures in excess of INR 1,00,00,000 (Rupees One Crore only) per Financial Year;

(w) Unless provided for in the Business Plan, disposal of Assets of the Company and/ or the Subsidiaries whose aggregate value exceeds 5% (five percent) of Company's / relevant Subsidiary's audited Net Asset Value;

(x) Any change in the number of directors/ members of the Boards of the Company and/ or the Subsidiaries other than as specifically contemplated in the Agreement;

(y) Removal or appointment of independent Directors of the Company and/ or the Subsidiaries, if any;

(z) Any change in the terms of appointment of any member of the Key Management Team or change in remuneration of any member of the Key Management Team by more than 15% (Fifteen percent) of his/ her prevailing cost to company;

(aa) Appointment and dismissal of an employee (including a member of the Key Management Team) of the Company and/ or the Subsidiaries having CTC of more than INR 40,00,000 (Rupees forty lakhs only). "CTC", for the purposes of the preceding sub-clauses, shall mean the cost to company and include salary and any monetary or non-monetary remuneration/consideration (non-monetary remuneration being determined on the basis of the fair market value) received by the employee of the Company or the Subsidiaries;

(bb) Change in the accounting policies employed by the Company except when so required by applicable Law, including, but not limited to, any change in the Financial Year of the Company;

(cc) Appointment and removal of the internal auditor and statutory auditor of the Company and/ or the Subsidiaries except for reappointment of the existing internal auditor and/ or statutory auditor;

(dd) Initiation or determination of any individual litigation or arbitration of a value in excess of INR 50,00,000 (Rupees fifty lakhs only) and cumulative value in excess of INR 1,00,00,000 (Rupees One Crore only);

(ee) Any filings, actions or resolutions for winding up, liquidation, bankruptcy or insolvency of any of the Company and/ or the Subsidiaries;

(ff) Any reorganization, consolidation, spin-off, merger, acquisition, Liquidity Event or other similar transaction by the Company and/ or the Subsidiaries;

(gg) Surrendering any tax benefits that may be available to the Company;

(hh) Selling, Encumbering, Transferring, licensing, alienating or otherwise disposing of any of the Company's/ Subsidiaries' Intellectual Property, or interests therein or contracting to do so, other than in the ordinary course of business or as contemplated by the Business Plan;

(ii) Any change (including for the avoidance of doubt, any alteration, modification, deletion and/or substitution) to the visual representation and format of the existing Intellectual Property owned and/ or licensed by the Company, other than in the ordinary course of business or as contemplated by the Business Plan;

(jj) Creation of any Encumbrance on any of the property or assets of the Company and/ or the Subsidiaries (except in the ordinary course of business or as contemplated by the Business Plan and, in any event, not exceeding in the aggregate, INR 2,00,00,000 (Rupees two crores only) during a Financial Year);

(kk) Entering into any binding agreement to take any of the foregoing actions.

XXI - DIRECTORS

39. **Directors**

39.1. The Investor shall have the right to nominate and appoint (a) 2 (two) nominee Directors on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of the Investor is above or equal to, but does not fall below 10.00% (ten per cent) of the total paid-up share capital of the Company, on a fully diluted basis, and (b) 1 (one) nominee Director on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the shareholding of the Investor is less 10% (ten per cent), but does not fall below 5.00% (five per cent) of the total paid-up share capital of the Company, on a fully diluted basis (such nominee directors hereinafter referred to as "**Investor Nominee Director(s)**").

Provided further that the right to appoint the Investor Nominee Director(s) shall be subject to the approval of the shareholders of the Company by way of a special resolution, in the first general meeting of the shareholders which is convened after the Listing Date.

The Promoters shall have the right to nominate and appoint (a) 3 (three) nominee Directors on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the aggregate shareholding of the Promoters is above or equal to, but does not fall below 10.00% (ten per cent) of the total paid-up share capital of the Company, on a fully diluted basis, and (b) 1 (one) nominee Director on the Board of Directors of the Company, provided however that such right shall be exercisable so long as the aggregate shareholding of the Promoters is less 10% (ten per cent), but does not fall below 5.00% (five per cent) of the total paid-up share capital of the Company, on a fully diluted basis (such nominee directors hereinafter referred to as "**Promoter Nominee Director(s)**").

Provided further that the right to appoint the Promoter Nominee Director(s) shall be subject to the approval of the shareholders of the Company by way of a special resolution, in the first general meeting of the shareholders which is convened after the Listing Date.

The Board shall also contain such number of independent directors as may be required under the regulations prescribed by SEBI and other applicable law.

39.2. **Qualification Shares**. A Director shall not be required to hold any qualification shares.

39.3. **Alternate Director**. Any Party having the right to nominate a Director shall have the right to nominate an alternate Director to the nominee Director in accordance with the provisions of the Act. The Company and the Shareholders shall take all steps necessary to secure the appointment of the alternate Director. The alternate directors so appointed shall be entitled to attend the meetings of the Boards of the Company and vote in the event the nominee Director is unable to attend any meeting of the Boards of the Company. Any such alternate director shall be considered for the constitution of the quorum and shall be entitled to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his absence.

39.4. **Board Committees.**

(a) The Boards of the Company and/ or the Subsidiaries shall resolve to establish committees, which will have delegated responsibility for dealing with specific functions otherwise carried out by such Boards, including a compensation committee and audit committee.

(b) The Investor shall have the right to pro-rata representation, as the Board(s) of the Company, on any committee formed by such Board.

(c) Audit Committee. The audit committee shall be constituted in accordance with the provisions of the Act and shall carry out such functions as directed by the Board of the Company.

(d) Compensation Committee. The compensation committee shall be constituted in accordance with the provisions of the Act and shall bear responsibility for reviewing and approving the compensation of the Key Management Team and other senior employees of the Company.

39.5. The nominee Directors shall be entitled to receive all notices, agenda (and all information and documents circulated to the Board(s) of the Company and the Shareholders in connection with meetings of the Board(s) of the Company and to attend all such meetings, shareholders meetings and meetings of any committees of the Board(s) and the shareholders of the Company.

39.6. **Vacancies**. If any Director resigns, vacates or is removed from office before his term expires, the resulting casual vacancy may be filled by a nominee of the Shareholder who originally nominated the Director vacating office, but any person so nominated, shall retain his office only so long as the vacating Director would have retained the same, if no vacancy had occurred.

39.7. **Liability of Investor Nominee Director**.

(a) **Non-Executive Director**. The Investor Nominee Director will be a non-executive Director in accordance with the Act.

(b) **Not to be responsible for day to day management**. The Promoters and the Company expressly agree and undertake that the Investor Nominee Director, so long as he is acting as non-executive director, shall not be in charge of, or responsible for the day-to-day management of the Company and shall not be deemed to be an "officer in default" as the term is defined in the Companies Act, 2013, and shall accordingly not be liable for any default or failure of the Company and/ or the Subsidiaries in complying with the provisions of any applicable law, subject to applicable law, including the Companies Act, 2013 and any regulations as may be notified by the Securities and Exchange Board of India, from time to time. The Promoters and Company expressly agree that the Investor Nominee Director shall not be identified as an occupier of any premises used by the Company or an employer of the employees of the Company.

39.8. Subject to provisions of section 149 of the Companies Act, 2013 and until otherwise determined by the Company in General meeting, the number of directors shall be not less than two and not more than fifteen.

39.9. A director shall not be disqualified by reason of his holding any other office or place of profit under the company other than those mentioned in Section 188 of the Companies Act, 2013 in conjunction with his office of director, except that of auditor and may be appointed thereto upon such terms as to remuneration, tenure of office, as the case may, with the previous consent of the Company, accorded by a special resolution.

39.10. Subject to the provisions of Section 188 of the Act and Reserved Matters, the Directors shall not be disqualified from contracting with the Company either as vendors, purchasers or otherwise, nor shall any such contract or arrangement entered into by or on behalf of the Company with any company or partnership in which any director so contracting

being member or so interested, be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director holding that office or of the fiduciary relation thereby established but the nature of his interest must be disclosed by him at the meeting of the Board of Directors at which the contract or arrangement is determined on, if the interest then exists, or in any other case at the first meeting of the Board of directors after the acquisition of the interest. Provided, nevertheless that such Director shall be entitled to present at the meeting and to vote as Director in respect of the contract or arrangement in which he is so interested as aforesaid and if he does so, vote shall be counted. No general notice and no renewal thereof shall be of effect unless either it is given at a meeting of a Board or the director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

39.11. The payment of sitting fees shall be governed by the policy of the Company in this regard as may be in force from time to time.

39.12. The Board of directors may fix such remuneration to be paid to a Director of the Company as they think fit, subject to section 188 of the Act, if applicable.

39.13. In addition to the remuneration payable to them in pursuance of these Articles, the Directors may be paid all traveling, hotel and other expenses property incurred by them connection of the business of the Company as the Board may determine.

39.14. No director shall retire at any general meeting of the Company and subject to the provisions of the Act and these Articles, a Director shall continue to act as such until death, resignation and/or removal, as the case may be, unless tenure of employment is fixed by the Board in writing.

39.15. The Board of directors shall have powers to appoint the Directors nominated by any lending financial institution. Such director shall not be required to retire by rotation until the arrangement with the said financial institution continues.

39.16. The Board shall also have power to fill a casual vacancy in the Board. Such casual vacancy shall be filled up by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid, but he shall then be eligible for election.

39.17. **Managing Director**. Subject to Article 38 (*Reserved Matters*) and the Act, the Board may subject to provisions of the Act appoint any person to be the Managing Director of the Company and may fix the remuneration to be paid to him and to determine to power exercisable and duties to be performed by such Managing Director. An individual may be appointed as the Managing Director and Chairman of the Company at the same time.

39.18. **Company Secretary**. Subject to Article 38 (*Reserved Matters*) a company secretary may be appointed upon such terms and conditions as may be fixed by the Board.

39.19. **Additional Director**. Subject to Article 38 (*Reserved Matters*) an additional director may be appointed by the Board, upon such terms and conditions as may be fixed by the Board.

XXII - PROCEEDINGS OF BOARD

40. **Proceedings of Board**

40.1. **Number of Board Meetings**. The Board shall meet at least four (4) times in every calendar year *provided that*, not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive Board meetings. Subject to applicable Law, a Board meeting may also be held by video conferencing and/or any other permitted means remote participation.

40.2. **Convening meetings of the Board**. Any Director may, and the secretary of Company, if so appointed, shall on the requisition of a Director, summon a meeting of the Board, in accordance with the notice and other requirements set out below in Article 40.3 (*Notice for Board Meetings*).

40.3. **Notice for Board Meetings**. A Board meeting may be called by a Director and 14 (fourteen) days' written notice of each meeting of the Board or a committee thereof shall be given to each of the Directors at the address notified from time to time by each of them, in writing to the Company, whether in India or abroad, *provided that* a meeting may be convened by a shorter notice with written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of all the Directors..

40.4. **Contents of the Notice.**

(a) Every notice of a Board meeting of the Company and/ or the Subsidiaries shall set forth in full and sufficient detail each item of the business to be transacted thereat, and no item or business shall be transacted at such Board meeting, unless the same has been stated in full and in sufficient detail in the notice convening the meeting, except as otherwise consented to by all the Directors, or their respective alternate directors.

(b) The draft resolutions and other documents for all matters to be considered at the Board meetings of the Company and/ or the Subsidiaries must be furnished to all the Directors along with the notice for such Board meeting.

40.5. **Quorum for Board meeting**. Apart from the requirements of the Act, the presence of at least 1 (one) Investor Nominee Director, if any, and 1 (one) Promoter Nominee Director, personally or by way of video conference throughout the meetings of the Boards of the Company shall be required to constitute valid quorum. If the Investor Nominee Director, if any, or the Promoter Nominee Director, is not present at any meeting of the Board of the Company ("**Initial Meeting**") within 30 (thirty) minutes of the scheduled time, the meeting shall be adjourned to same day and time of the subsequent week, unless otherwise agreed by all the Directors, and if that day is not a Business Day to the immediately succeeding Business Day ("**First Adjourned Meeting**"). If an Investor Nominee Director or the Promoter Nominee Director is not present at such First Adjourned Meeting, within 30 (thirty) minutes of the scheduled time, then the meeting shall again be adjourned ("**Second Adjourned Meeting**") to the same day and time of the subsequent week, unless otherwise agreed by all the Directors, and if that day is not a Business Day to the immediately succeeding Business Day. If an Investor Nominee Director or the Promoter Nominee Director is not present at such Second Adjourned Meeting, the Directors present shall constitute valid quorum, provided that at least 2 (two) Directors are present. The agenda for the Initial Meeting shall be the agenda for the Adjourned Meeting, and material matters which are not specifically defined and stated in the agenda for the Initial Meeting shall in no event be taken up for discussion or approved at the Adjourned Meeting, it being understood and agreed by the Parties that any matters in respect of Reserved Matters shall in no event be discussed or approved by the Board of the Company and/ or the Subsidiaries without the presence of an Investor Nominee Director (and the approvals required by Article 38 (*Reserved Matters*)).

40.6. **Decisions of the Board**. Subject to Article 38 (*Reserved Matters*), a decision shall be said to have been made and/or a resolution passed at a meeting of the Board of the Company only if at a validly constituted meeting, such decisions are approved of by a majority of the Directors, present and voting at such Board meeting. In the event there is a vacancy on the Board and an individual has been designated to fill such vacancy, the first order of business shall be to fill such vacancy.

40.7. **Chairman**. Each meeting of the Board shall be chaired by the Chairman nominated by the Board. The Chairman shall not have a casting vote, to resolve a deadlock in voting. In the absence of the Chairman at any meeting, the Board shall elect one of their members to chair the meeting in question.

40.8. **Resolution by circulation or written consent**. Subject to Article 38 (*Reserved Matters*) and except for those actions required by the Act to be determined at a meeting of the Board, all decisions of the Board may be taken by circular resolution. No resolution shall be deemed to have been duly passed by a Board of the Company and/ or the Subsidiaries, or a committee thereof by circulation or written consent, unless the resolution has been circulated in draft, together with the information required to make a fully-informed good faith decision with respect to such resolution, to all Directors, or to all members of the relevant committee, at their usual address (whether in India or abroad) or through electronic means, and has been approved (subject to the Article 38 (*Reserved Matters*)), by majority of the Directors.

40.9. **Removal/Resignation of Directors**. The Company and the Shareholders shall not remove any nominee Director. Each Party entitled to nominate a Director shall have the right to require the removal of such nominee at any time and shall be entitled, to nominate another Person as the nominee Director in place of the Person removed. In the event of the resignation, retirement or vacation of office of the Director nominated by any Party, such Party shall be entitled to nominate another Person as Director in place of such Director and the Shareholders shall exercise their rights in such manner so as to cause the appointment of such Person as nominee Director to the Board of the Company.

XXIII - COVENANTS BY THE PROMOTERS AND THE COMPANY

41. **Covenants by the Promoters and the Company**

41.1. **Related Party Transactions**. All the transactions, contracts, arrangements or understandings entered into or proposed to be entered into between the Company and its Related Parties shall be (i) on commercially justifiable terms and at an arms-length arrangement; and (ii) subject to the approval of the Investor as set forth in Article 38 (*Reserved Matters*).

41.2. **No Solicitation**.

On and from the Closing Date and until the Investor holds any Equity Securities in the Company ("**Limited Period**"), Promoters shall not and shall procure that their Affiliates shall not, whether directly or indirectly, by themselves or together with or through any Person, in any manner whatsoever, (whether in their own capacity or in conjunction with or on behalf of any Person) do or undertake or attempt to do or undertake any of the following activities:

(a) propose to, canvass, solicit, entice away or attempt to canvass, solicit or entice away from the Company and/ or the Subsidiaries any of their customers, clients, franchisees, vendors, lessor, representative, agent, franchisees, business associates and/or employees ("**Restricted Persons**"), whether or not such Person would commit a breach of contract by reason of such act and or assist, influence, encourage or induce any of the foregoing action in any manner whatsoever;

(b) provide any know-how or technical assistance to any Person (other than the Company and the Subsidiaries) in relation to the Business.

41.3. **Non-compete**. On and from the Closing Date and during the Limited Period, Promoters shall not and shall procure that their Affiliates shall not, whether directly or indirectly, by themselves or together with or through any Person, in any manner whatsoever (whether in their own capacity or in conjunction with or on behalf of any Person), do or undertake or attempt to do or undertake any of the following activities:

(a) commence, establish, promote, finance, engage in, carry on, join in, participate in, manage, advise, operate, control, conduct, own, invest in or have an interest in any business, venture or Person which is competing or in competition with the Business of the Company and/ or the Subsidiaries in any manner whatsoever, including initiating any new activities or expansion related to the Business or any other business undertaken by the Company and/ or the Subsidiaries, through any Person, including any Person in which they have any interest. Nothing contained in this Article 41.3 shall apply to any investment made by the Promoters and/or their Affiliates in any listed business or venture or company provided that: (i) such investment is purely a financial investment and in no manner whatsoever can be deemed to be a strategic investment or one seeking or providing control over the business, venture or company; and (ii) such investment does not result in the Promoters and/or their Affiliates holding in aggregate, more than 5% (five percent) beneficial interest in such business competing with the whole or any part of the Business of the Company and/ or the Subsidiaries;

(b) provide financial assistance, or technical, managerial or any other services (whether for consideration or free of charge), in any manner to, or be Affiliates with, any Competitor;

(c) through Rochem Green Energy Private Limited ("**RGE**"), commence any other business that competes with the Business (including any new activities or expansion related to the Business), expand its waste-to-energy concession business and/ or waste management concession business or devote more than 3 (three) Business Days in a calendar month towards the business of RGE;

(d) enter into any business, which is similar or identical to, or that competes with, the Business of the Company and/ or the Subsidiaries, or any business that the Company or its Subsidiaries may undertake, in any manner, anywhere in the world; and

(e) for its own account or as agent, consultant, or shareholder of, or as owner of any equity or economic interest in, any other Person, engage or attempt to engage or assist any Competitor or other Person to engage in any business activity that is competitive with, or similar or identical to, the Business of the Company and/ or the Subsidiaries, or any business that the Company or its Subsidiaries may undertake, anywhere in the world.

41.4. **Focus on Business and Activities of the Company**. The Company and the Subsidiaries shall undertake the Business and such other businesses as may be approved by the Investor in accordance with Article 38 (*Reserved Matters*).

41.5. **Management**. The Promoters and the Key Management Team shall be in charge of the day-to-day management of the Company and the Subsidiaries.

41.6. **Employees and Resources of the Company**. Employees and resources of the Company and the Subsidiaries shall at all times be employed/ utilized only towards the Business and activities of the Company and/ or the Subsidiaries and shall at no instance be deployed or diverted towards carrying out any work/ activities for any Affiliate of the Promoters. The Company shall further enter into appropriate employment agreements with all the present and future members of its Key Management Team covering confidentiality, non-compete, non-solicitation, exclusivity and IP assignment obligations.

41.7. **Anti-corruption**. The Company and the Subsidiaries shall not violate the United States Foreign Corrupt Practices Act, 1977, the U.K. Bribery Act, 2010, Prevention of Corruption Act, 1988, Prevention of Money Laundering Act, 2002 or any other applicable anti-bribery or anti- corruption law, or promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any officer, employee or any other person acting in an official capacity for any Government Entity, to any political party or official thereof or to any candidate for political office (individually and collectively, a "**Government Official**") or to any person under circumstances where such Company and/ or the Subsidiary knows or is aware of a high probability that all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, to any Government Official, for the purpose of:

(a) influencing any act or decision of such Government Official in his official capacity; (ii) inducing such Government Official to do or omit to do any act in relation to his lawful duty; (iii) securing any improper advantage; or (iv) inducing such Government Official to influence or affect any act or decision of any Government Entity.

(b) assisting the Company and/ or the Subsidiaries in obtaining or retaining business for or with, or directing business to the Company or the Subsidiaries.

The Company and the Subsidiaries shall maintain systems of internal accounting controls to ensure compliance with applicable anti-bribery or anti-corruption Laws. For the purpose of this Article, "**Government Entity**" means any government or any department, agency or instrumentality thereof, including, but not limited to, any entity or enterprise owned or controlled by a government, or a public international organization.

41.8. **Action Plan**. The Company and the Subsidiaries shall implement and comply with the Action Plan and undertake the Business of the Company and/ or the Subsidiaries in compliance with the Applicable S&E Law. The compliance with the Action Plan and the Applicable S&E Law shall be reviewed by a Third Party service provider appointed by the Investor on an annual basis. Based on the findings of such Third Party service provider, the Action Plan, as presently set out in Schedule 5 of the Agreement, shall be revised/ modified mutually by the Investor, the Company and the Promoters, if deemed necessary by such Third Party service provider, and the Company shall implement and comply with such revised/modified Action Plan, as the case may be, from time to time.

41.9. **Transactions with Prohibited Persons**. The Company and the Subsidiaries shall not:

(a) enter into any transaction or engage in any activity prohibited by any resolution of the United Nations Security Council under Chapter VII of the United Nations Charter.

(b) conduct business or enter into any transaction with, or transmit any funds through, a Shell Bank.

If any of the Companies, Subsidiaries and/or the Promoters become aware of any violation of Article 41.7 or this Article 41.9, such Person shall promptly within 7 (seven) Business Days from the date of becoming aware of such violation, notify the Investor in writing, and the Company and such other party shall cooperate in good faith with the Investor and its representatives in determining whether such a violation has occurred, and shall respond promptly and in reasonable detail to any notice from the Investor, and shall furnish documentary support for such response upon the Investor's request.

41.10. **Insurance**. The Company and the Subsidiaries shall obtain and maintain at all times (i) insurance policies customarily held by companies of the similar value/ size or similar business as the Company and the Subsidiaries (as applicable); (ii) where applicable, insurance policies which are in accordance with any insurance coverage requirements set out in a contract to which it is a party (or by which it is bound), including the directors' and officers' liability insurance as required to be obtained under the Share Subscription Agreement.

41.11. **Business Plan**. For each Financial Year, the Promoters along with the Key Management Team shall prepare and provide to the Investor at least 30 (thirty) days prior to the end of the previous Financial Year (i) an annual business plan, including, the profit and loss statement, balance sheet and cash flow statement, outlining expectations on the Company's as well as the Subsidiaries' financial performance and specifying, amongst other things, operational milestones, revenues originating from various existing and new segments, associated costs, capital expenditures, required financing, corporate overheads, labor costs, general and administrative expenses, production particulars, etc. ("**Draft Business Plan**") in a form satisfactory to the Investor and the Promoters and present it to the Board of the Company for approval. The form of the Draft Business Plan is attached in **SCHEDULE 6**. Upon the Board of the Company approving the Draft Business Plan for a Financial Year ("**Business Plan**"), a copy of the same shall be provided to the Investor and acknowledged by the Investor, and the Company and the Promoters shall adhere to the Business Plan.

41.12. **OFAC**.

(a) The Company shall not directly or indirectly use the Subscription Amount or lend, contribute or otherwise make available the Subscription Amount to any subsidiary, joint venture partner or other person for the purpose of funding or facilitating any activities or business of or with any person towards any sales or operations in Cuba, Iran, Libya, Syria, Sudan, the Democratic People's Republic of Korea, Myanmar or any other country sanctioned by the Office of Foreign Assets Control of the U.S. Department of Treasury ("**OFAC**") or for the purpose of funding any operations or financing any investments in, or make any payments to, any person targeted by or subject to any sanctions administered by the OFAC, or by the U.S. Department of State, or any sanctions imposed by the European Union (including under Council Regulation (EC) No. 194/2008), the United Nations Security Council, Her Majesty's Treasury or any other relevant governmental entity and any activities sanctionable under the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010, as amended or the Iran Sanctions Act, as amended (collectively, the "**Sanctions**").

(b) The Company will use the Subscription Amount in accordance with the provisions of clause 10 of the SSA. The use of Subscription Amount will be in compliance with and will not result in the breach by the Company, the Subsidiaries, the Promoters, any officer, employee, director, agent, affiliate or person acting on behalf of the Company and/ or the Subsidiaries of the Sanctions; and the Company further covenants not to engage, directly or indirectly, in any other activities that would result in a violation of Sanctions by any person, including any person participating in the transaction.

41.13. **Greenhouse Gas Audit**. The Investor may require the Company and/ or the Subsidiaries to undergo a greenhouse gas audit annually, by a Third Party agency acceptable to the Investor. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries shall extend full cooperation and provide all necessary information and documents required for the conduct of such audit. All costs and expenses in relation to the conduct of such annual greenhouse gas audit shall be borne by the Company.

41.14. The Company shall, and the Promoters shall ensure that the Company and the Subsidiaries duly pay the requisite stamp duty on all agreements entered into by the Company and the Subsidiaries, if required and other than in the ordinary course of business.

XXIV - ESOP

42. **ESOP**

The Investor and Promoters shall as soon as reasonably practicable after the Closing Date, jointly formulate an appropriate ESOP plan for the employees of the Company, which shall not result in the dilution of the Investor's shareholding, up to 3% (three percent) of the pre-money share capital of the Tranche I Investment ("**Agreed ESOP**"). The Company shall and the Promoters shall undertake all procedures, including but not limited to approving the necessary Board and Shareholder resolutions of the Company, creating a trust and transferring/ issuing the requisite number of Equity Shares to such Agreed ESOP trust to give effect to this covenant. Any issuance of Equity Securities to such Agreed ESOP trust beyond 3% (three percent) of the pre-money share capital of the Tranche I Investment will result in the dilution of all Shareholders.

XXV - EXIT

43. **Exit**

43.1. Within a period of 54 (fifty four) months from the Closing Date, (the "**QIPO Period**"), the Company and the Promoters shall utilize their best endeavours to provide the Investor an exit through the undertaking of a QIPO, in accordance with Article 43.2 below. If the Company is not able to successfully complete a QIPO or IPO within the QIPO Period, then the Company shall be obligated to provide alternative exit options to the Investor after the expiry of the QIPO Period, in the manner provided in this Article 43.

43.2. **QIPO**.

(a) The Company shall determine the following matters in connection with the QIPO, which decision shall not be undertaken without obtaining the prior written consent of the Investor:

(i) whether the public offering shall be by a fresh issue of Equity Shares by the Company and/ or an offering of Equity Shares for sale by the Shareholders;

(ii) the price at which the Equity Shares shall be issued / offered to the public;

(iii) the quantum of Equity Shares to be comprised in the issue / offering including that of the Parties; and

(iv) the appointment of lead managers, merchant bankers, bankers, registrars, financial advisors, issue managers and other intermediaries.

(b) In the event of an Offer for Sale, the Investor will be entitled to offer some or all of its shareholding for sale in the QIPO, subject to applicable law.

(c) In any QIPO undertaken by the Company, the Promoter shall offer such number of Equity Securities as may be required to fulfill the lock-in requirements under applicable Law.

(d) Except as otherwise directed by SEBI, for the purposes of a QIPO and subject to applicable Law, the Investor shall not be considered as a "promoter" of the Company and therefore the Equity Securities held by the Investor (including any Equity Shares held by it pursuant to conversion prior to a QIPO or IPO) shall not be subject to any lock-in conditions applicable to promoters, for and after the IPO.

(e) The Parties jointly and severally undertake to do the following, in connection with the QIPO:

(i) The Promoters and the Investor undertake to exercise their voting rights (at the meetings of the Board of the Company and the Shareholders), and to cause the Board of the Company to take all steps necessary for the Company to undertake a QIPO, including but not limited to, preparing and signing the relevant offer documents, providing all necessary information and documents necessary for preparing the offer document, obtaining all Consents and doing such further reasonable acts or deeds as may be necessary for undertaking a QIPO.

(ii) Ensure that the total offer of Equity Shares to the public shall constitute not less than such percentage (as prescribed under the applicable Law) of the total post issue paid-up share capital of the Company to comply with the listing requirements of the concerned Stock Exchanges and the concerned regulatory authority.

(iii) Provide all material information that is necessary to file the prospectus and other documents in relation to the QIPO, and ensure compliance with all Law including the Act, the SEBI Regulations, the listing agreement, etc.

(iv) All cost, fees and expenses in respect of the IPO will be borne by the Company and/ or the Selling Shareholders in the IPO, in the manner agreed in the offer agreement which will be executed in relation thereto.

(f) The provisions of this Article 43.2 shall apply to any IPO of the Company.

43.3. **Buy-Back and Put Option**.

(a) If the Company has been unable to complete a QIPO within the QIPO Period, then at any time within the Exit Period, the Investor shall have, at its own discretion, the right to require the Company to buy back and/ or the Promoters to exercise any or a combination of the following rights, by issuing a notice to the Company and the Promoters, stating the right which it intends to exercise ("**Option Notice**") and the details of the Equity Securities with respect to which it intends to exercise its rights under this Article 43.3.

(b) Buyback.

(i) If the Investor wishes to exercise its right of buyback by way of the Option Notice, the Company shall, subject to applicable Law, buy back all the Investor Shares within 60 (sixty) Business Days from the delivery of the Option Notice (the "**Buyback**"). The Investor shall have the right to call upon the Company to convert all Equity Securities held by it into Equity Shares, and then complete a buy back of the Equity Shares held by the Investor as on the date of the Option Notice. The price to be paid by the Company to the Investor, shall be the higher of (i) the Fair Market Value of the Investor Shares; or (ii) 2 (two) times the aggregate of the Investment Amount inclusive of any cash/ accrual payments of interest or coupon already paid, on an INR basis ("**Buyback Price**") provided that any Tax payable by the Investor on receipt of any consideration shall be borne entirely by the Investor.

(ii) The Company shall, and the Promoters shall cause the Company to, undertake all procedures necessary under the Act to effect the Buyback including obtaining the approval of the Board and Shareholders of the Company by way of the requisite Board and Shareholders' resolutions and shall

effect the Buyback on or prior to the expiry of 60 (sixty) Business Days from the delivery of the Option Notice. Provided that it is permissible under applicable Law, the Promoters hereby agree to waive their right with respect to Buyback of the Equity Securities held by the Promoters upon receipt of the buyback notice issued by the Company.

(iii) The rights granted under this Article 43.3(b) shall be available only to the Investor, subject to applicable Laws. All the existing Shareholders (other than the Investors) agree to waive any rights that they may have (contractual, statutory or otherwise) to participate in the Buyback if such participation affects the ability of the Investor to tender and sell all the Equity Securities held by the Investor in Buyback pursuant to this Article 43.3(b).

(c) Put Option.

(i) The Investor shall have the right to require the Promoters to purchase all the Investor Shares by delivering the Option Notice ("**Put Option**"). The Company and the Promoters shall undertake all procedures and obtain all Consents necessary to effect the purchase by the Promoters of all the Investor Shares subject to the Option Notice, including obtaining the necessary Board and Shareholder resolutions of the Company. The price to be paid by the Promoters to the Investor shall be, subject to applicable Law, the higher of (i) the Fair Market Value of the Investor Shares; or (ii) 2 (two) times the aggregate of the Investment Amount including any cash/ accrual payments of interest or coupon already paid, on an INR basis ("**Put Option Price**"), provided that any Tax payable by the Investor on receipt of any consideration shall be borne entirely by the Investor.

(ii) The purchase of the Investor Shares by the Promoters shall be completed within 30 (thirty) Business Days from the date of delivery of the Put Notice.

43.4. **Drag Right**.

(a) At any time during the Exit Period or thereafter, the Investor shall, by delivering the Option Notice, have the right to require the Company to appoint a reputed investment banker, as may be acceptable to the Investor, to facilitate the sale of the Investor Shares to a Third Party (including a Competitor) at a price and terms acceptable to the Investor. The fees and other expenses in relation to the appointment of the investment banker and the transaction shall be borne by the Company, provided that any Tax payable by the Investor for the sale of Investor Sale Securities (defined herein below) on receipt of any consideration shall be borne entirely by the Investor.

(b) The Investor shall have the right to Transfer (i) all or any of the Investor Shares in case of a Transfer only by the Investor; and (ii) all (and not less than all) Investor Shares in case of exercise of rights under Article 43.4(c) below (in each case the "**Investor Sale Securities**") to such Third Party. The Company shall, and the Promoters shall cause the Company to undertake all procedures and obtain all Consents necessary to effect the sale and purchase by the Third Party of the Investor Sale Securities.

(c) If the Third Party requires any additional shareholding to be Transferred to consummate the transaction, the Investor shall have the right to require the Promoters to offer such number of Equity Securities from their shareholding, at a price and on terms and conditions no less favourable than those offered to the Investor ("**Drag Securities**") as may be required to give effect to the Drag Right of the Investor (as defined below) and the Promoter shall, upon request by the Investor, be obligated to Transfer the Drag Securities to the Third Party, including a Competitor (the "**Drag Purchaser**"), along with the Investor Sale Securities. Provided however that if as a result of the Drag Right, the aggregate shareholding of the Promoters falls below 20% (twenty percent) on a Fully Diluted Basis, the Promoters shall have a right to require the Investor to ensure that the Drag Purchaser acquires all and not less than all Equity Securities held by the Promoters along with the Investor Sale Securities. This right of the Investor to require the Promoters to sell all or some of their Equity Securities to the Drag Purchaser shall be referred to as the "Drag Right" and shall be exercised in the manner set forth hereinafter.

(d) In the event that the price offered by the Drag Purchaser for the Investor Shares is less than two (2) times the aggregate of the Investment Amount including any cash/accrual payments of interest or coupon already paid, on an INR basis, then the Promoters shall have the right to purchase the Investor Shares at such price offered by the Drag Purchaser. Within 75 (seventy-five) calendar days from the date of price offered by the Drag Purchaser, the Promoters shall issue a written notice to the Investor of them exercising their right to purchase the Investor Shares at the price offered by the Drag Purchaser along with reasonable documentary evidence to display availability of, or accessibility to, requisite funds with the Promoters for the purchase of Investor Shares. The Promoters shall purchase the Investor Shares at such price offered by the Drag Purchaser within

45 (forty-five) calendar days from the date of issuance of the written notice by the Promoters to the Investor as aforementioned.

(e) If the Investor exercises the Drag Right, it shall issue a written notice ("**Drag Notice**") to the Promoters ("**Dragged Sellers**") calling upon them to Transfer the Drag Securities on date specified therein within 60 (sixty) days from the date of the Drag Notice (the "**Drag Completion Date**"). Subject to Article 43.4(c) above, the Dragged Sellers shall be bound and obligated to Transfer the Drag Securities specified in the Drag Notice to the Drag Purchaser simultaneously with a Transfer of the Investor Sale Securities on the Drag Completion Date. The distribution of the proceeds from the sale pursuant to the Drag Right shall be subject to the provisions of Article 44 below.

(f) The Parties hereby covenant to take all steps necessary to give effect to the provisions of this Article 43.4 including the passing of all necessary resolutions and obtaining all necessary Consents.

43.5. The Parties agree and undertake that the obligation of the Company and the Promoters to provide an exit to the Investor in accordance with Article 43.4 above shall not be limited to the Exit Period.

XXVI - LIQUIDATION PREFERENCE

44. Liquidation Preference

44.1. In case of a Liquidity Event or a Liquidation Event, the mechanism for distribution shall, subject to applicable Law, be in the manner as provided in this Article 44.

44.2. In case of a Liquidity Event, the proceeds shall be distributed in the following order of priority:

(a) Firstly, to the Investor, until the Investor receives at least 2 (two) times of the Investment Amount, inclusive of any cash/accrual payments of interest or coupon already paid on INR basis;

(b) Secondly, to the Promoters and other shareholders (if any), until the Promoters and other shareholders receive, on a per Equity Security basis and for the total number of Equity Securities held, an amount equivalent to what the Investor has received under (a) above on a per Equity Security basis;

(c) Thirdly, amongst all Shareholders pro-rata to their shareholding in the Company.

44.3. In case of a Liquidation Event, the Investor shall be entitled to a liquidation preference for an amount which would be equal to the Investment Amount, inclusive of any cash/accrual payments of interest or coupon already paid, on an INR basis.

XXVII - EVENT OF DEFUALT

45. Event of Default

45.1. (i) Any failure or breach by the Company and/ or Promoters to comply with any of the Identified Terms, or (ii) any fraud by the Promoters with respect to the Company, the Subsidiaries or the Investor shall, if capable of remedy, be remedied by the Company and/ or Promoters within 60 (Sixty) days from the date of receipt of a written notice (the 'written notice') from the Investor requesting the Company and/ or the Promoters to remedy such failure or breach. In the event such failure or breach is not remedied by the Company and/ or the Promoters within such aforesaid stipulated time, after receipt of the 'written notice', such failure or breach shall be considered as an event of default ("**Event of Default**").

45.2. On or any time after the occurrence of an Event of Default, the Investor may (in its sole and absolute discretion) (i) serve a notice in writing (a "**Default Notice**") on the Company and the Promoters, informing the Company and the Promoters that an Event of Default has occurred; and (ii) shall be entitled to, subject to applicable Law, exercise the Drag Right in accordance with Article 43.4, either through the Default Notice or under a separate written notice addressed to the Company and the Promoters, provided however that in the event that the Drag Right is not exercised within a period of 6 (Six) months from the date of establishment of the Event of Default, this right of the Investor shall lapse without prejudice to the rights of the Investor in terms of this Article 45, upon the occurrence of any subsequent Event of Default.

45.3. Notwithstanding anything to the contrary as may be contained in the Articles, upon occurrence of Event of Default in accordance with Article 30.5, there shall not be any remedy period available to the Promoters as stated in Article 45.1 and the right of the Promoters under Article 36.4(d) shall not be available to the Promoters in case of exercise of Drag Right by the Investor in accordance with Article 43.4.

XXVIII - FALL-OFF OF RIGHTS

46. Notwithstanding anything set out in these Articles, in the event the Investor's (calculated at all times, together with Affiliates) shareholding in the Company falls below 8% (eight per cent) on a Fully Diluted Basis, then all the rights available to the Investor (and its Affiliates) under the Agreement, except the information rights under Article 35 and Tag Along Right under Article 30.3, shall fall off and the Investor shall not have the right to exercise any other rights available to it under the Agreement. For the avoidance of doubt, the obligations of the Investor under the Agreement and the Articles shall survive even after the Investor's shareholding in the Company falls below 8% (eight per cent) on a Fully Diluted Basis. Further, subject to applicable law, the restrictions, undertakings and covenants under these Articles will be applicable unless otherwise consented to, or waived, as applicable, in writing, between the relevant parties.

XXIX - BORROWING POWERS

47. Subject to section 179 of the Companies Act, 2013 and Article 38, Board may from time to time at their discretion raise and borrow and may themselves lend and secure the payment of any sum or sums of money for the purpose of the Company.

48. The Board may raise or secure the repayment of such sum or sums in the manner and upon such terms and conditions in all respect as they deem fit and particular by creation of any mortgage or charge on the undertaking of the whole or any part of the property, or future, or uncalled capital of the Company or by the issue of bonds, redeemable debentures or denture-stock of the Company charged upon all or any part of the property of the Company both present and future including its uncalled capital for the time being.

49. All monies hundies, bills of exchange, notes belonging to the Company shall be deposited with one or more banks as the Board of Directors may decide, into an account to be opened in the name of the Company. Cheques on the banks shall be signed by one or more of the managing directors or working directors or by the members of the staff of the Company to whom the Board assign power of attorney or empower him/them by the Board resolution.

50. The Board of Directors are authorized to open accounts with in any bank in the name of the Company and operate upon those accounts and to invest the funds of the Company in Government or other securities of any kind whatsoever and to collect interest on the same from time to time and/or endorse, transfer or otherwise deal with securities of the company.

51. The Board of Director by proper resolutions shall have the power to do all or any of the acts mentioned in the Memorandum of Association subject to section 179 of the Act.

52. The Company shall comply with the provisions of the Act, or any statutory modification thereof for the time being in force and in particular in regard to the registration of particulars of mortgages and charges affecting the property of the Company or created by it, and to keeping a register of the Directors and to send to the Registrar of Companies an annual return, statutory returns and a summary of particulars relating thereto and notice of any increase of share capital, and copies of special resolutions.

53. Debentures, Debenture-Stock, bonds, or other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

54. Subject to applicable Law and these Articles, any debenture, debenture – stock, bonds, or other securities may be issued at discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

XXX - DISQUALIFICATIONS OF DIRECTORS

55. The office of a director shall become vacant:

55.1. If by notice in writing to the Company a Director resigns the office of director,

55.2. If a Director ceases to be a director by virtue of the Act or becomes disqualified in accordance with provisions of Section 164 of the Companies Act, 2013,

55.3. If a Director adjudged insolvent, found lunatic or of unsound mind or involved in such offence that tell upon him as committing an act moral turpitude in the eyes of law or does such act during discharge of his duties as director as tantamount to criminal breach of trust.

XXXI - ACCOUNTS AND AUDIT

56. The Board of Director shall cause true account to be kept of the sums of money received and expended by the Company, all sales and purchases of goods by the Company and the matters in respect of which such receipt and expenditure take place and of the assets, credit and liabilities of the Company.

57. The books of accounts shall be kept the registered office of the Company or at such other place or places as the Board of the directors of the Company in writing decide and shall be open to inspection by the directors during business hours.

58. The Company may keep such books of account or other relevant papers in electronic mode in the manner as prescribed under the Companies (Accounts) Rules, 2014, if the Board so decides.

59. The Board shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulation the accounts, books and documents of the Company and any of them shall be open to the inspection by the members not being the Directors and no member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by statute or authorized by the Board or by the Company in general meeting.

60. Once at least in every year the accounts of the Company shall be examined and the correctness of the Balance Sheet and Profit and Loss Account ascertained by one or more statutory auditor or auditors.

61. The Company shall, at the annual general meeting, appoint an individual or a firm as an auditor who shall hold office for such period as determined by the Board and the manner and procedure of selection of auditors shall be as prescribed under Section 139 of the Companies Act, 2013 and other applicable provisions of the Act and the Companies (Audit and Auditors) Rules, 2014, provided that the Company shall place the matter relating to such appointment for ratification by members at every annual general meetings. Eligibility, qualifications, disqualification, powers, duties and removal of auditors shall be as prescribed under the Act and Companies (Audit and Auditors) Rules, 2014 as applicable to a public company.

62. The Company may at a general meeting remove any such auditor or all or any of such auditors and appoint in his or their places any other person or persons who have been nominated for appointment by any member of the Company and whose nomination has been given to the members of the Company not earlier than three months but at least fourteen days before the date of the meeting.

XXXII - DIVIDENDS AND RESERVES

63. Subject to applicable Law, the Board may from time to time recommend and pay to the member such interim divided as will appear it to be justified by the profit of the Company and the final divided including interim dividend have to be approved by the general body meeting held thereafter, which shall be payable to such members whose names appear in the members register on the date of declaration at the general body meeting.

64. The general body can't declare dividend more than recommended by the Board.

65. The Board recommend any dividend, but before that set aside out of the profit of the Company such sum as it think proper as a reserves which shall at the discretion of the Board be applicable for any purpose to which the profit of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends and pending such application, may, at the discretion, either be employed in the business of the company or to be invested in such investments (other than shares of the Company) as the Board may from time to time, think fit.

66. The Board may also carry toward any profit which it may think prudent not to divide, with or without setting aside any profit as reserve, but such decision must be supported by cogent reasons recorded in the Boards resolution and must be approved by the members in a following general meeting.

67. Subject to the rights of the persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid in cash according to and in proportion to the amounts paid or credited as paid in respect whereof the dividend is to be paid but if and so long as there be any arrears in any of the calls of the shares in the Company, dividends may be declared according to the amount of the shares already paid and the amounts of dividends may be adjusted against arrears of such calls on the shares.

68. Except as otherwise provided in these Articles and the SHA, all dividends shall be apportioned and paid proportionate to the amount paid or credited as paid on the shares as on the last day of the year but if any share is issued on terms providing that they shall rank for dividend as from a particular date such share shall rank for divided accordingly.

69. The Board may deduct from any divided payable to any member all sums of money, if any presently payable be him to the Company on account of calls or otherwise in relation to the share of the Company.

70. Every divided warrant may be sent by post to last registered address of the member entitled thereto and the receipt by the person whose name at the date of declaration of the dividend appears on the Register of Members as the owner of the share or in case of joint holder, the receipt by any one of such holders shall be a good discharge to the Company for all payments made in respect of such dividend.

71. **Right to unpaid or unclaimed dividend**

(a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.

(b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

(c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law and such forfeiture, if effected, shall be annulled in appropriate cases.

XXXIII - THE SEAL

72. The Directors shall provide for the safe custody of the seal.

73. The seal of the Company shall not be affixed to any instrument except by authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least one Director and of the secretary or such other person as the Board may appoint for the purpose; and that one Director and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

XXXIV - INDEMNITY

74. The Company shall be bound by the indemnification provisions as provided under clause 19 of the Agreement.

75. The Directors, manager, auditor, secretary and other officers for the time being of the Company and any trustees for the time being acting in relation to any affairs of the Company and the heirs, executors and administrators respectively shall be indemnified for the losses which any of them shall or may incur or sustain by reason of any act done or committed in or about the execution of their duty in their respective offices of trust (except such) (if any) as they shall incur or sustain by or through their own willful neglect or default respectively) and no such officer or trustee shall be answerable for the acts, receipts, neglects or defaults of any other officer or trustee or for joining in any receipt, for the sake of conformity or for the solvency or honesty of any bankers or other person with whom any money or effects belonging to the Company may be lodged or deposited for the safe custody or for any insufficiency or deficiency or any security upon which any money of the Company shall be invested or for any other loss or damages due to any such cause as aforesaid or which may happen in or about the execution of his office or trust unless the same shall happen through the willful neglect or default of such office or trustee. This Article is subject to section 197 of the Act.

76. Every officer or agent for the time being of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings whether civil or criminal, in which judgment is given favour or in which he is acquitted.

XXXV - FAIR MARKET VALUE OF SHARES

77. The Fair Market Value of the Equity Securities for the purposes of these Articles and the Agreement shall be determined by a Valuer appointed based on mutual agreement of the Investor and the Promoters at the relevant time, it being understood that the Investor and Promoters shall use their best endeavours to ensure such determination within 30 (Thirty) days of appointment of the Valuer.

78. If the Investor and the Promoters are unable to agree on a Valuer, then within 30 (Thirty) days of such disagreement, the Investor and the Promoters shall each appoint a Valuer.

79. The Shareholders shall ensure that each Valuer has such information relating to the Company as it reasonably requires for determination of the Fair Market Value.

80. For arriving at the Fair Market Value, each Valuer shall take into account all factors it considers to be relevant.

81. If the difference in Fair Market Value determined by each of the Valuers is 15% (fifteen percent) or less, the average of the Fair Market Value determined by each of the Valuers shall be taken as the Fair Market Value.

82. If the difference in Fair Market Value determined by each of the Valuers is more than 15% (fifteen percent), the two Valuers shall jointly appoint a third Valuer ("Third Valuer"), who shall review the findings of the two Valuers and independently determine the Fair Market Value it deems more accurate from amongst the two, taking into account the factors it considers to be relevant. Upon the Third Valuer's determination of the Fair Market Value, the Third Valuer shall set out the correct Fair Market Value in a certificate signed by him and issued to the Promoters and the Investor.

83. The Valuers and the Third Valuer (as the case may be) shall determine the Fair Market Value within 30 (thirty) days of their respective appointment and shall notify the Promoters and the Investor of their determination. Each party shall bear the fees of the respective Valuers appointed by them. The fees of the Third Valuer appointed under this Section XXXIV shall be paid by the Company.

84. Each of the Valuers and the Third Valuer shall act as an expert and not as an arbitrator.

XXXVI - SECRECY CLAUSE

85. Every Director, (except institutional/ex-officio Director) auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company and all matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these Articles.

86. No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which, in opinion of the Director, it would be inexpedient in the interest of the Company to disclose.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and subsisting contracts, which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be, deemed material, will be attached to the copy of the Red Herring Prospectus and the Prospectus, as applicable, which will be delivered to the RoC for filing. Copies of the abovementioned documents and contracts, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days and available at www.concordenviro.in/ipo from the date of the Red Herring Prospectus until the Bid/ Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required, in the interest of our Company, or if required by the other parties, without reference to the shareholders, subject to compliance with the provisions of the Companies Act and other applicable law.

A. Material Contracts for the Offer

1. Offer Agreement dated June 30, 2022 between our Company, the Selling Shareholders and the BRLMs.
2. Registrar Agreement dated June 27, 2022 between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Monitoring Agency Agreement dated [●] entered into between our Company and the Monitoring Agency.
4. Cash Escrow and Sponsor Bank Agreement dated [●] between our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), Sponsor Bank, Public Offer Bank and the Refund Bank(s).
5. Share Escrow Agreement dated [●] between our Company, the Selling Shareholders and the Share Escrow Agent.
6. Syndicate Agreement dated [●] between our Company, the Selling Shareholders, the BRLMs and the Syndicate Members and Registrar to the Offer.
7. Underwriting Agreement dated [●] between our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the MoA and AoA of our Company, as amended.
2. Certificate of incorporation issued by the RoC dated July 1, 1999.
3. Fresh certificate of incorporation dated June 9, 2022 upon conversion to public limited company.
4. Memorandum of understanding dated August 18, 1999 executed between our Company, and Universal Blenders, a partnership firm constituted pursuant to partnership deed dated August 19, 1992, as amended.
5. Resolution of the Board and Shareholders dated June 15, 2022 and June 22, 2022, respectively, in relation to the Offer and other related matters.
6. Resolution of the Board dated June 30, 2022 approving the DRHP.
7. Copies of the audited financial statements of our Company for the Financial Years 2021, 2020 and 2019.
8. The examination report of the Statutory Auditor dated June 29, 2022 on our Restated Consolidated Financial Information included in this Draft Red Herring Prospectus.
9. The statement of possible special tax benefits dated June 28, 2022 issued by Ethics Plus Public Accountants, Dubai and
10. The statement of possible special tax benefits dated June 30, 2022 issued by Shah Khandelwal Jain & Associates, respectively.
11. Written consent of the Directors, Company Secretary and Compliance Officer, the BRLMs, the Syndicate Members, the Monitoring Agency, Legal Counsel to our Company as to Indian law, Legal Counsel to the

BRLMs as to Indian Law, International Legal Counsel to the BRLMs, Legal Counsel to the Selling Shareholders, lenders to our Company, Registrar to the Offer, Escrow Collection Bank(s), Public Offer Bank(s), Refund Bank(s), Sponsor Bank, Bankers to our Company, as referred to in their specific capacities.

12. Our Company has received written consent dated June 30, 2022 from M/s. Deloitte Haskins & Sells LLP, Chartered Accountants, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditors, and in respect of their examination report dated June 29, 2022 relating to the Restated Consolidated Financial Information; in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. The terms "expert" and "consent" does not represent an expert or consent within the meaning under the U.S. Securities Act.

13. Written consent dated June 24, 2022 from Vishal Sunil Joshi, Chartered Engineer, to include his name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the chartered engineer; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

14. Written consent dated June 30, 2022 from Shah Khandelwal Jain & Associates, Independent Chartered Accountant, to include its name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountant in respect of their Statement of Special Tax Benefits for our Company and our Material Subsidiary, Rochem Separation Systems (India) Private Limited dated June 30, 2022, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

15. Written consent dated June 28, 2022 from Ethics Plus Public Accountants, Dubai, statutory auditors for our Material Subsidiaries, Concord Enviro FZE and Blue Water Trading and Treatment FZE, to include its name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in its capacity as the independent chartered accountants in respect of their Statement of Special Tax Benefits dated June 28, 2022, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

16. Written consent dated June 24, 2022 from Parikh and Kulkarni Consulting Engineers Private Limited, to include their name as required under section 26 of the Companies Act, 2013 read with SEBI ICDR Regulations, in this Draft Red Herring Prospectus, and as an "expert" as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Project Management Consultant in respect of information certified by them, as included in this Draft Red Herring Prospectus; and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

17. Industry report dated June, 2022, titled "*Assessment of Industrial Water and Wastewater Treatment Solutions Market in India"*, prepared by Frost & Sullivan, paid and commissioned by our Company, which is available on the website of our Company at www.concordenviro.in/ipo.

18. Consent letter dated June 30, 2022 from the Industry Report provider.

19. Consent letters dated June 29, 2022 from each of the Selling Shareholders, authorising their participation in the Offer.

20. Tripartite agreement dated June 25, 2022 between our Company, NSDL and the Registrar to the Offer.

21. Tripartite agreement dated June 15, 2022 between our Company, CDSL and the Registrar to the Offer.

22. Shareholders' agreement dated August 7, 2015 entered among our Company, Prerak Goel, Prayas Goel and AF Holdings read with amendment agreement to the SHA dated October 3, 2015, subscription cum addendum agreement dated March 21, 2016, second subscription cum addendum agreement dated October 26, 2017, amendment agreement dated April 20, 2021 and the amendment agreement dated June 22, 2022.

23. Share Purchase Agreement dated August 6, 2015 entered into by our Company, AF Holdings and India Waste Water Treatment Company.

24. Share Purchase Agreement dated August 7, 2015 entered among our Company, Prerak Goel, Prayas Goel and AF Holdings.

25. Share Subscription Agreement dated August 7, 2014 entered into by our Company, Prerak Goel, Prayas Goel and AF Holdings read with amendment agreement to the SSA dated October 3, 2015, subscription cum amendment dated March 21, 2016, and second subscription cum amendment agreement dated October 26, 2017.

26. Investment Agreement dated July 6, 2016 read with addendum dated January 9, 2020 between our Company, DCIF, Prayas Goel and Prerak Goel.

27. Shareholders' agreement dated December 1, 2021 between Concord Enviro FZE and Heinzl Holding UG.

28. Shareholders' Agreement dated October 6, 2016 between our Company, DCIF, Prayas Goel, Prerak Goel and Roserve Enviro Private Limited.

29. Extension of employment agreement dated October 1, 2019, between our Company and Prayas Goel.

30. Technology Transfer Agreement dated June 29 2021, between Concord Enviro FZE and Rochem Water Treatment GmbH.

31. Extension of employment agreement dated October 1, 2019, between our Company and Prerak Goel.

32. Due diligence certificate dated June 30, 2022 addressed to SEBI from the BRLMs.

33. In – principle approvals dated [●] and [●] issued by BSE and NSE, respectively.

34. SEBI observation letter bearing reference number [●] and dated [●].

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prayas Goel
Chairman and Managing Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

_____

Prerak Goel
Executive Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prakash D. Shah
Independent Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Shiraz Homi Bugwadia
Independent Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Rajesh R. Pai
Non- Executive Nominee Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Kamal Sandeep Shanbhag
Independent Director

Place: Mumbai

Date: June 30, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines / regulations issued by the Government of India or the guidelines/regulations issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Sudarshan Gopinath Kamath
Chief Financial Officer

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Prayas Goel, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Prayas Goel

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Prerak Goel, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Prerak Goel

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Pushpa Goel, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Pushpa Goel

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Namrata Goel, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Namrata Goel

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

I, Nidhi Goel, hereby confirm that all statements and undertakings specifically made or confirmed by me in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Nidhi Goel

Place: Mumbai

Date: June 30, 2022

DECLARATION BY SELLING SHAREHOLDER

AF Holdings, hereby confirms that all statements and undertakings specifically made or confirmed by us in this Draft Red Herring Prospectus in relation to myself as a Selling Shareholder and the Equity Shares offered by me through the Offer for Sale, are true and correct. I assume no responsibility for any other statements, including, any of the statements made by or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

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Name: Dilshaad Rajabali (Director)

Place: Mauritius

Date: June 30, 2022