



This is an abridged prospectus containing salient features of the red herring prospectus of Aether Industries Limited (the "Company") dated May 16, 2022 filed with the Registrar of Companies, Gujarat at Ahmedabad ("RHP" or "Red Herring Prospectus"). You are encouraged to read greater details available in the RHP, which is available at <https://www.sebi.gov.in/sebiweb/home/HomeAction.do?doListing=yes&sid=3&ssid=15&smid=11>. Unless otherwise specified all capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

THIS ABRIDGED PROSPECTUS CONSISTS OF FOUR PAGES OF BID CUM APPLICATION FORM ALONG WITH INSTRUCTIONS AND SIX PAGES OF ABRIDGED PROSPECTUS. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.



AETHER INDUSTRIES LIMITED

Corporate Identity Number: U24100GJ2013PLC073434; **Date of Incorporation:** January 23, 2013

| Registered Office and Corporate Office | Contact Person | Email and Telephone | Website |
|---|--|--|--|
| Plot No. 8203, GIDC, Sachin, Surat- 394230, Gujarat | Chitrarth Rajan Parghi, <i>Company Secretary and Compliance Officer</i> | Email: compliance@aether.co.in Telephone: +91 261 660 3360 | www.aether.co.in |

OUR PROMOTERS: ASHWIN JAYANTILAL DESAI, PURNIMA ASHWIN DESAI, ROHAN ASHWIN DESAI, DR. AMAN ASHWIN DESAI, AJD FAMILY TRUST, PAD FAMILY TRUST, RAD FAMILY TRUST, AAD FAMILY TRUST AND AAD BUSINESS TRUST

Details of Offer to Public

| Type of Offer | Fresh Issue Size (by no. of Equity Shares or by amount in ₹) | Offer for Sale Size (by no. of Equity Shares or by amount in ₹) | Total Offer Size (by amount in ₹) | Offer under Regulation 6(1) | Share Reservation among QIBs, NIBs, RIBs & Eligible Employees | | | |
|--------------------------------|---|---|-----------------------------------|---|---|------------------------------------|------------------------------------|--|
| | | | | | QIBs | NIBs | RIBs | Employees |
| Fresh Issue and Offer for Sale | Up to ₹ 6,270.00 million* *The size of the Fresh Issue of Equity Shares aggregating up to ₹ 7,570.00 million has been reduced to up to ₹ 6,270.00 million pursuant to the Pre-IPO Placement. | Up to 2,820,000 Equity Shares aggregating up to ₹ [•] million | Up to ₹ [•] million | The Offer is being made pursuant to Regulation 6(1) of the SEBI ICDR Regulations. | Not more than 50% of the Net Offer | Not less than 15% of the Net Offer | Not less than 35% of the Net Offer | Up to [•] Equity Shares aggregating up to ₹71.50 million |

The Equity Shares are proposed to be listed on National Stock Exchange of India Limited and BSE Limited (Designated Stock Exchange);

Details of Offer for Sale by Selling Shareholders:

| Name of Selling Shareholder | Type of Selling Shareholder | Number of Equity Shares offered/ amount (₹) | Weighted average cost of acquisition on fully diluted basis (in ₹ per equity share) |
|-----------------------------|------------------------------|---|---|
| Purnima Ashwin Desai | Promoter Selling Shareholder | Up to 2,820,000 Equity Shares aggregating up to ₹ [•] million | 2.08 |

PRICE BAND, MINIMUM BID LOT & INDICATIVE TIMELINES

| | |
|---|---|
| Price Band [^] | ₹ 610 per Equity Share to ₹ 642 per Equity Share of face value of ₹ 10 each |
| Minimum Bid Lot Size | 23 Equity Shares |
| Bid/Offer Opens On | Tuesday, May 24, 2022 ⁽¹⁾ |
| Bid/Offer Closes On | Thursday, May 26, 2022 ⁽²⁾ |
| Finalisation of Basis of Allotment with the Designated Stock Exchange | On or about Tuesday, May 31, 2022 |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account* | On or about Wednesday, June 1, 2022 |
| Credit of Equity Shares to demat accounts of Allottees | On or about Thursday, June 2, 2022 |
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about Friday, June 3, 2022 |

[^] For details of the Price Band and the basis for Offer Price, please refer to the price band advertisement and the section titled "Basis for Offer Price" on page 106 of the RHP

⁽¹⁾ Our Company and the Promoter Selling Shareholder may in consultation with the BRLMs, consider participation by Anchor Investors in accordance with the SBEI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date i.e. Monday, May 23, 2022.

⁽²⁾ UPI Mandate end time shall be 12:00 pm on Friday, May 27, 2022.

* 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. 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, in case of delays in resolving investor grievances in relation to blocking/unblocking of funds, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of our Company with the SCSBs, to the extent applicable under the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or any other applicable laws of the United States and unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales are made.

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

THE WEIGHTED AVERAGE COST OF ACQUISITION OF ALL SHARES TRANSACTED (I) IN THE PRECEDING THREE YEARS, (II) IN THE PRECEDING ONE YEAR, AND (III) IN THE PRECEDING 18 MONTHS FROM THE DATE OF THE RED HERRING PROSPECTUS

| Period | Weighted average cost of acquisition | Upper end of the price band (₹ 642 is 'X' times the weighted average cost of acquisition) | Range of acquisition price: Lowest price – Highest price (in ₹) |
|---|--------------------------------------|---|---|
| Last one year from the date of the RHP | 20.12 | 31.91 | Nil - 642 |
| Last three years from the date of the RHP | 21.37 | 30.04 | Nil - 642 |
| Last 18 months from the date of the RHP | 21.37 | 30.04 | Nil - 642 |

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10. The Floor Price, Cap Price and the Offer Price determined by our Company and the Promoter Selling Shareholder, in consultation with the Book Running Lead Managers, 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 the Offer Price" on page 106 of the RHP should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding active and/or sustained trading in the Equity Shares nor 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 entire 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 the Red Herring Prospectus. Specific attention of the investors is invited to the section entitled "Risk Factors" on page 25 of the RHP and on page 8 of this Abridged Prospectus.

PROCEDURE

You may obtain a physical copy of the Bid-cum-Application Form and the RHP from the Stock Exchanges, Syndicate Members, Registrar to the Offer, Registrar and Share Transfer Agents ("RTAs"), Collecting Depository Participants ("CDPs"), Registered Brokers, Bankers to the Offer, Investors' Associations or Self Certified Syndicate Banks ("SCSBs").

If you wish to know about processes and procedures applicable to the Offer, you may request for a copy of the RHP and/or the General Information Document (GID) from the BRLMs or download it from the website of SEBI at www.sebi.gov.in, the websites of NSE and BSE at www.nseindia.com and www.bseindia.com, respectively, and the websites of the BRLMs at www.hdfcbank.com and <https://investmentbank.kotak.com>, respectively.

PRICE INFORMATION OF BRLMS

| Sr. No. | Issuer name | Name of the merchant banker | +/- % change in closing price, +/- % change in closing benchmark | | |
|---------|--|-----------------------------|--|--------------------------------|---------------------------------|
| | | | 30th calendar day from listing | 90th calendar day from listing | 180th calendar day from listing |
| 1. | Adani Wilmar Limited | HDFC Bank, Kotak | +48.00% [-5.34%] | +180.96% [-4.95%] | Not applicable |
| 2. | AGS Transact Technologies Limited | HDFC Bank | -42.97% [-3.05%] | -28.63% [-1.64%] | Not applicable |
| 3. | One 97 Communications Limited | HDFC Bank | -38.52% [-4.40%] | -60.39% [-2.51%] | Not applicable |
| 4. | PB Fintech Limited | HDFC Bank | +14.86% [-4.33%] | -20.52% [-4.06%] | Not applicable |
| 5. | Aditya Birla Sun Life AMC Limited | HDFC Bank | -11.36% [+0.55%] | -23.85% [-0.74%] | -25.65% [-0.90%] |
| 6. | Chemplast Sanmar Limited | HDFC Bank | +2.06% [+5.55%] | +12.68% [+6.86%] | -3.30% [+3.92%] |
| 7. | G R Infraprojects Limited | HDFC Bank | +90.61% [+6.16%] | +138.67% [+16.65%] | +132.16% [+16.50%] |
| 8. | Computer Age Management Services Ltd | HDFC Bank | +5.52% [+2.37%] | +49.52% [+23.04%] | +43.67% [+26.65%] |
| 9. | Rainbow Children's Medicare Limited | Kotak | Not Applicable | Not Applicable | Not Applicable |
| 10. | Campus Activewear Limited | Kotak | Not Applicable | Not Applicable | Not Applicable |
| 11. | Vedant Fashions Limited | Kotak | +3.99% [-0.20%] | +180.96% [-4.95%] | Not Applicable |
| 12. | C.E. Info Systems Limited | Kotak | +70.21% [+6.71%] | +48.48% [-67.85%] | Not Applicable |
| 13. | Rategain Travel Technologies Limited | Kotak | +11.99% [+7.48%] | - 31.08% [-0.06%] | Not Applicable |
| 14. | Star Health And Allied Insurance Company Limited | Kotak | -14.78% [+1.72%] | - 29.79% [-6.66%] | Not Applicable |

Source: www.nseindia.com and www.bseindia.com

Notes: 1. Disclosures subject to recent 7 issues (initial public offerings) in current financial year and two preceding financial years managed by each BRLM with common issues disclosed once; 2. Change in closing price over the issue/offer price as disclosed on Designated Stock Exchange; 3. For change in closing price over the closing price as on the listing date, the CNX NIFTY or S&P BSE SENSEX 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; 4. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days. In case of reporting dates falling on a trading holiday, values for immediately previous trading day have been considered; 5. Not applicable – where the relevant period has not been completed.

For further details, please refer to "Other Regulatory and Statutory Disclosures - Price information of past issues handled by the BRLMs" on page 335 of the RHP.

BOOK RUNNING LEAD MANAGERS

| | |
|--|---|
| HDFC BANK LIMITED Telephone: +91 22 3395 8233 E-mail: aetherindustries.ipo@hdfcbank.com Investor grievance e-mail: investor.redressal@hdfcbank.com | KOTAK MAHINDRA CAPITAL COMPANY LIMITED Telephone: +91 22 4336 0000 E-mail: aetherindustries.ipo@kotak.com Investor grievance e-mail: kmccredressal@kotak.com |
|--|---|

| | |
|---|--|
| Name of Syndicate Members | HDFC Securities Limited and Kotak Securities Limited |
| Name of Registrar to the Offer | LINK INTIME INDIA PRIVATE LIMITED Telephone: +91 22 4918 6200 E-mail: aether.ipo@linkintime.co.in Investor grievance e-mail: aether.ipo@linkintime.co.in |
| Name of Statutory Auditor | M/s. Birju S. Shah & Associates |
| Name of Credit Rating Agency and the rating or grading obtained, if any | As this is an Offer consisting only of Equity Shares, there is no requirement to obtain credit rating for the Offer. |
| Name of Debenture Trustee | As this is an Offer consisting only of Equity Shares, the appointment of debenture trustees is not required. |

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

| | |
|--|---|
| Self Certified Syndicate Banks | The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to UPI Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated 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, 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. Details of nodal officers of SCSBs, identified for Bids made through the UPI Mechanism, are available at www.sebi.gov.in . |
| Non Syndicate 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 eligible to accept ASBA forms from the Bidders (other than RIBs), including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com , as updated from time to time. For further details, see section titled “Offer Procedure” beginning at page 349 of the RHP. |
| Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and stock brokers who can accept applications from investors, as applicable: | The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, is provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , respectively, as updated from time to time. The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, is provided on the websites of BSE at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm , as updated from time to time. For further details, see “Offer Procedure” on page 349 of the RHP. |

PROMOTERS OF OUR COMPANY

| Sr. No. | Name | Individual/ Corporate/Trust | Experience and Educational Qualification |
|---------|-------------------------|-----------------------------|--|
| 1. | Ashwin Jayantilal Desai | Individual | He holds a bachelor’s degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly University Department of Chemical Technology, UDCT, Mumbai, 1974). He has been awarded the Distinguished Alumnus award by Indian Chemical Technology in 2010. |
| 2. | Purnima Ashwin Desai | Individual | She leads the overall accounting and finance operations of our Company. She has a bachelor’s degree from the University of Delhi (1975). She was previously a Director at Anupam Rasayan India Limited until 2013. |
| 3. | Rohan Ashwin Desai | Individual | He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, human resources and systems) of our Company. He has a bachelor’s degree from South Gujarat University of Commerce (SPB VNSG), Surat. |
| 4. | Dr. Aman Ashvin Desai | Individual | He has over 10 years of experience in the speciality chemical industry. Dr. Aman Desai has a bachelor’s degree in Chemical Technology (Intermediates and Dyestuff Technology, 2005) from Institute of Chemical Technology (ICT formerly known as University Department of Chemical Technology, UDCT, Mumbai) and has a Doctor of Philosophy (PhD) degree in Organic Chemistry (with a focus on chiral chemistry) from Michigan State University (USA, 2010). |
| 5. | AJD Family Trust | Trust | The overall objective of AJD Family Trust is to meet financial or non-financial needs/ purpose of existing beneficiaries of the trust including health, education, maintenance capital and support including but not limited to payment of insurance premium, marriage, capital and maintenance and to ensure seamless and effective succession planning mechanism and intergenerational transfer of the Trust Corpus and income among the beneficiaries. |
| 6. | PAD Family Trust | Trust | The overall objective of PAD Family Trust is to meet financial or non-financial needs/ purpose of existing beneficiaries of the trust including health, education, maintenance capital and support including but not limited to payment of insurance premium, marriage, capital and maintenance and to ensure seamless and effective succession planning mechanism and intergenerational transfer of the Trust Corpus and income among the beneficiaries. |
| 7. | RAD Family Trust | Trust | The overall objective of RAD Family Trust is to meet financial or non-financial needs/ purpose of existing beneficiaries of the trust including health, education, maintenance capital and support including but not limited to payment of insurance premium, marriage, capital and maintenance and to ensure seamless and effective succession planning mechanism and intergenerational transfer of the trust corpus and income among the beneficiaries. |
| 8. | AAD Family Trust | Trust | The overall objective of AAD Family Trust is to meet financial or non-financial needs/ purpose of existing beneficiaries of the trust including health, education, maintenance capital and support including but not limited to payment of insurance premium, marriage, capital and maintenance and to ensure seamless and effective succession planning mechanism and intergenerational transfer of the trust corpus and income among the beneficiaries. |
| 9. | AAD Business Trust | Trust | The overall objective of AAD Business Trust is to meet financial or non-financial needs/ purpose of beneficiaries of the trust including maintenance, travel, medical, education, insurance including payment of insurance premium, marriage and to ensure seamless intergenerational transfer of the trust corpus and income among the beneficiaries. |

OUR BUSINESS OVERVIEW AND STRATEGY

Company Overview: We are a speciality chemical manufacturer in India, producing advanced intermediates and speciality chemicals involving complex and differentiated chemistry and technology core competencies. Our business was started in 2013 with a vision to create a niche in the global chemical industry. In the first phase of our development through Fiscal 2017, we focused on building our team and infrastructure and on our R&D centred around building our core competencies. Revenue generation commenced with our second phase in Fiscal 2018.

Products/ Service Offering: We operate our business based on three business models: (i) large scale manufacturing of our own intermediates and speciality chemicals, (ii) contract research and manufacturing services (“CRAMS”) and (iii) contract / exclusive manufacturing.

Geographies Served: Of our revenue from operations in the nine months ended December 31, 2021 and Fiscal 2021, 57.32% and 57.82% were from India, 32.74% and 32.97% were from EU countries, 5.95% and 5.77% were from the North America (United States and Mexico), 3.49% and 2.92% were from Asia and 0.50% and 0.52% from the rest of the world.

Key performance indicators:

1. Customer Segments

The table set forth below provides customer segment split of our revenue from operations and as a percentage of revenue from operations in the nine months ended December 31, 2021 and Fiscal 2021, Fiscal 2020 and Fiscal 2019:

| Customer Segment | Nine months ended December 31, 2021 | | Fiscal 2021 | | Fiscal 2020 | | Fiscal 2019 | |
|------------------------|-------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | ₹ million | % of revenue | ₹ million | % of revenue | ₹ million | % of revenue | ₹ million | % of revenue |
| Pharmaceuticals | 2,770.51 | 62.60% | 3,041.90 | 67.63% | 2,454.50 | 81.33% | 1,252.70 | 62.27% |
| Agrochemicals | 1,017.61 | 22.99% | 926.50 | 20.60% | 257.50 | 8.53% | 447.10 | 22.22% |
| Material Science | 188.00 | 4.25% | 195.90 | 4.36% | 46.30 | 1.53% | 94.60 | 4.70% |
| High Performance Photo | 171.26 | 3.87% | 125.80 | 2.80% | 57.90 | 1.92% | 11.70 | 0.58% |
| Coatings | 154.36 | 3.49% | 124.80 | 2.77% | 0.55 | 0.02% | 66.00 | 3.28% |
| Multiple Use | 27.70 | 0.63% | 56.70 | 1.26% | 138.90 | 4.60% | 43.60 | 2.17% |
| Food Additives | 0.00 | 0.00% | 0.60 | 0.01% | 1.60 | 0.05% | 1.00 | 0.05% |
| Oil & Gas | 53.54 | 1.21% | 0.00 | 0.00% | 26.50 | 0.88% | 66.00 | 3.28% |
| Other | 42.46 | 0.96% | 25.96 | 0.57% | 34.31 | 1.14% | 29.10 | 1.45% |
| Total | 4,425.44 | 100.00% | 4,498.16 | 100.00% | 3,018.06 | 100.00% | 2,011.80 | 100.00% |

2. Exports

We export our products to more than 18 countries. During the nine months ended December 31, 2021, Fiscal 2021, Fiscal 2020 and Fiscal 2019, our sales from exports (excluding deemed exports), as a percentage of our revenue from operations were 48.87%, 50.65%, 42.94% and 45.64%, respectively.

3. Select financial information

(₹ in millions, except for ratios and percentages)

| Particulars | As at, or for the nine months ended December 31, | | As at, or for the fiscal year ended, March 31, | | |
|-------------------------------------|--|--------|--|--------|--------|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| EBITDA ⁽¹⁾ | 1,259.95 | 765.42 | 1,121.59 | 717.56 | 475.07 |
| EBITDA Margin ⁽²⁾ | 28.47% | 22.91% | 24.93% | 23.78% | 23.61% |
| PAT Margin ⁽³⁾ | 18.45% | 14.30% | 15.67% | 13.15% | 11.48% |
| *ROCE ⁽⁴⁾ | 21.72% | 20.74% | 28.50% | 26.07% | 25.16% |
| Debt-Equity Ratio ⁽⁵⁾ | 0.65 | 1.63 | 1.19 | 2.18 | 3.27 |
| *Return on Net Worth ⁽⁶⁾ | 23.01% | 38.18% | 40.79% | 51.04% | 60.54% |

*Not annualized as on December 31, 2021 and December 31, 2020

Notes: (1) EBITDA is calculated as the sum of (i) profit before tax and prior period items for the period/year; (ii) depreciation and amortization expenses, and (iii) finance costs less (iv) other income; (2) EBITDA Margin is calculated as EBITDA divided by revenue from operations; (3) PAT Margin is calculated as profit for the period/year divided by total income; (4) ROCE is calculated as earnings before interest and taxes divided by Capital Employed; (5) Debt-Equity Ratio is calculated as Debt divided by total equity; and (6) Return on Net Worth is calculated as profit for the period/year divided by Net Worth. For further information, please refer Business Section on page 153 of the RHP.

Industries Served: Chemical industry. For further details, see "Industry Overview" beginning on page 115 of the RHP.

Intellectual Property, if any: We have applied for trademark registration for our corporate logo under class 1 and Class 5 of the Trademark Act, 1999, and Trade Rules, 2002, before the Registrar of Trademarks. The application has been made in the name of the Company.

Market Share: In calendar year 2020, Aether Industries Limited had a nearly 28% of the global 4MEP market, according to the F&S Report based on Frost & Sullivan Primary Research. In India, Aether Industries Limited is the only manufacturer of OTBN and has production of approximately 417 metric tons in 2020, representing approximately 8% of the global market in terms of production volume, according to the F&S Report. With production of 171 metric tons in calendar year 2020, Aether had a 34% market share in the global HEEP market in calendar year 2020, in terms of production volume, according to the F&S Report. For calendar year 2020, Aether Industries Limited accounted for nearly 50% of the global T2E market, according to the F&S Report. In calendar year 2020, Aether Industries Limited accounted for approximately 47% of the global NODG market, according to the F&S Report. In calendar year 2020, Aether Industries Limited is the second largest manufacturer of MMBC in the world, with 14% market share in terms of production volume, and it is also the only manufacturer of MMBC in India (F&S Report). According to the F&S Report, the Company accounted for 13% of the global DVL market in calendar year 2020.

Manufacturing plant, if any: We have two sites at Sachin in Surat. Our Manufacturing Facility 1 is an approximately 3,500 square meters facility including our R&D Facilities, our analytical sciences, our Pilot Plant, our CRAMS facility and our hydrogenation facility. Our Manufacturing Facility 2 of approximately 10,500 square meters, acts as a large scale manufacturing facility.

Employee Strength: As of March 31, 2022, we had 719 employees (excluding trainees) and more than 150 contract workers and trainees. For further details, please see "Our Business - Human Resources" on page 180 of the RHP.

BOARD OF DIRECTORS

| Sr. No. | Name | Designation | Experience and Educational Qualification | Other directorship |
|---------|-------------------------|---------------------|--|--|
| 1. | Ashwin Jayantilal Desai | Managing Director | He holds a bachelor's degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly University Department of Chemical Technology, UDCT, Mumbai, 1974). He has been awarded the Distinguished Alumnus award by Indian Chemical Technology in 2010. | Indian Companies: Globe Enviro Care Limited, Aether Foundation Foreign Companies: Nil |
| 2. | Purnima Ashwin Desai | Whole-time Director | She leads the overall accounting and finance operations of our Company. She has a bachelor's degree from the University of Delhi (1975). She was previously a Director at Anupam Rasayan India Limited until 2013. | Indian Companies: Aether Foundation Foreign Companies: Nil |
| 3. | Rohan Ashwin Desai | Whole-time Director | He has extensive experience in the speciality chemical industry and looks after the entire commercial portfolio (including sales, finance, strategic procurements, human resources and systems) of our Company. He has a bachelor's degree from South Gujarat University of Commerce (SPB VNSG), Surat. | Indian Companies: Aether Foundation Foreign Companies: Nil |
| 4. | Dr. Aman Ashwin Desai | Whole-time Director | He has over 10 years of experience in the speciality chemical industry. Dr. Aman Desai has a bachelor's degree in Chemical Technology (Intermediates and Dyestuff Technology, 2005) from Institute of Chemical Technology (ICT formerly known as University Department of Chemical Technology, UDCT, Mumbai) and has a Doctor of Philosophy (PhD) degree in Organic Chemistry (with a focus on chiral chemistry) from Michigan State University (USA, 2010). | Indian Companies: Nil Foreign Companies: Nil |

IN THE NATURE OF ABRIDGED PROSPECTUS - MEMORANDUM CONTAINING SALIENT FEATURES OF THE RED HERRING PROSPECTUS

| | | | | |
|-----|--------------------------------------|--|--|---|
| 5. | Kamalvijay Ramchandra Tulsian | Chairperson and Non-Executive Director | He holds a diploma in Electrical Engineering and a diploma in Mechanical Engineering, both from the Maharaja Sayajirao University of Baroda (MSU-B). He has multiple decades of experience in the textile and chemical industry. | Indian Companies: J R Dyeing and Printing Mills Private Limited, Pandesara Infrastructure Limited, Gujarat Enviro-Protection and Infrastructure Private Limited, Surat Mega Textile Processing Park Association Foreign Companies: Nil |
| 6. | Ishita Surendra Manjrekar | Non-Executive Director | She holds a bachelor's degree in Chemical Engineering from Institute of Chemical Technology (ICT, formerly known as University Department of Chemical Technology, UDCT, Mumbai) and a master's degree in Chemical Engineering from Rensselaer Polytechnic Institute (RPI, USA). She is currently serving as director (Technology) in Sunanda Speciality Coatings Private Limited (Sunanda) and leads their Research and Development department and Business Development. | Indian Companies: Sunworks Chemicals Private Limited, Sunanda Speciality Coatings Private Limited, Sunanda Global Outreach Foundation, Sunanda Smile Foundation Foreign Companies: Nil |
| 7. | Arun Brijmohan Kanodiya | Non-Executive Independent Director | He has bachelor's degree from the University of Delhi, and he is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He is a Partner of M/s. KSA & Co, Chartered Accountants (Surat). He has over 15 years of experience in chartered accountancy and finance. | Indian Companies: Nil Foreign Companies: Nil |
| 8. | Jeevan Lal Nagori | Non-Executive Independent Director | He has a bachelor's degree from University of Udaipur, and he is a Fellow Member of the Institute of Chartered Accountants of India (ICAI). He has experience in chartered accountancy. He was previously associated with IPCA Laboratories Limited for 34 years, as the President of Project. | Indian Companies: Transrail Lighting Limited, Ajanma Holdings Private Limited, Avik Pharmaceuticals Limited Foreign Companies: Nil |
| 9. | Leja Satish Hattiangadi | Non-Executive Independent Director | She holds a bachelor's degree in Chemical Engineering from Indian Institute of Technology (IIT, Bombay) and a Master's degree in Chemical Engineering from Lowell Technological Institute (Massachusetts, USA). She has been elected as a Member of the American Institute of Chemical Engineers (AIChE). She has multiple decades of experience in the engineering contracting and chemical industry. She has previously worked at Tata Consulting Engineers Limited (a TATA Enterprise). | Indian Companies: Alkyl Amines Chemical Limited, Artson Engineering Limited Foreign Companies: Nil |
| 10. | Dr. Amol Arvindrao Kulkarni | Non-Executive Independent Director | He holds a bachelor's degree, a masters' degree and a Doctor of Philosophy (PhD) degree in Chemical Engineering from the Institute of Chemical Technology, University of Mumbai (ICT, formerly known as University Department of Chemical Technology, UDCT, Mumbai). He was also a Post Doctorate at the Max Planck Inst. Magdeburg (Germany) and IUSSTF Research Fellow at Massachusetts Institute of Technology (MIT, USA). | Indian Companies: Nil Foreign Companies: Nil |
| 11. | Rajkumar Mangilal Borana | Non-Executive Independent Director | He holds a bachelor's degree from Veer Narmad South Gujarat University (Surat). He has extensive experience in the textile industry and is currently associated with R&B Denim Limited. | Indian Companies: R&B Denims Limited, Borana Filaments Private Limited, Pandesara Infrastructure Limited Foreign Companies: Nil |
| 12. | Jitendra Popatlal Vakharia | Non-Executive Independent Director | He holds a diploma in Textile Chemistry from the Maharaja Sayajirao University of Baroda (MSU-B). He has multiple decades of experience in the chemical and textile industry. He is currently serving as a partner at Narayan Processors and a Director at Pandesara Infrastructure Limited. | Indian Companies: Pandesara Infrastructure Limited, Suje Tex Private Limited, Surat Mega Textile Processing Park Association Foreign Companies: Nil |

For further details in relation to our Board of Directors, see "Our Management" beginning on page 196 of the RHP.

OBJECTS OF THE OFFER

The Net Proceeds are proposed to be utilised as set forth below:

(₹ in million)

| Particulars | Total Estimated Cost | Amount already deployed as on April 30, 2022 | Amount which will be financed from Net Proceeds ⁽³⁾ | Estimated Utilisation of Net Proceeds |
|--|-------------------------|--|--|---------------------------------------|
| | | | | Fiscal 2023 |
| Funding capital expenditure requirements for the Proposed Greenfield Project | 1,900.00 ⁽¹⁾ | 250.71 ⁽²⁾ | 1,630.00 | 1,630.00 |
| Prepayment or repayment of all or a portion of certain outstanding borrowings availed by our Company | - | - | 1,379.00 | 1,379.00 |
| Funding working capital requirements of our Company | - | - | 1,650.00 | 1,650.00 |
| General corporate purposes ⁽³⁾ | - | - | • | • |
| Total⁽³⁾ | • | • | • | • |

⁽¹⁾ Total estimated cost, as per certificate dated May 16, 2022 issued by Dr. Pankaj Jayantilal Gandhi, Independent Chartered Engineer in respect of the Proposed Greenfield Project

⁽²⁾ Total amount deployed through internal accruals as on April 30, 2022, as per the certificate dated May 16, 2022 issued by our Statutory Auditors, M/s. Birju S. Shah & Associates, Chartered Accountants

⁽³⁾ To be finalised upon determination of Offer Price and updated in the Prospectus prior to filing with the RoC. The amount shall not exceed 25% of the Net Proceeds

Means of finance: The capital expenditure of ₹1,630 million will be met from the Net Proceeds and the balancing amount will be funded through Company's internal accruals and hence, no amount is proposed to be raised through any other means of finance. Accordingly, we are in compliance with the requirements prescribed under Paragraph 9(C) (1) of Part A of Schedule VIII and Regulation 7(1)(e) of the SEBI ICDR Regulations which require firm arrangements of finance to be made through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals. In case of a shortfall in the Net Proceeds or any increase in the actual utilisation of funds earmarked for the Objects, our Company may explore a range of options including utilizing our internal accruals.

Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilisation of issue proceeds of past public offers / rights issues, if any, of our Company in the preceding 10 years: Not Applicable.

Terms of Issuance of Convertible Security, if any: Not Applicable.

Name of Monitoring Agency: HDFC Bank Limited.

Shareholding Pattern as on the date of the RHP:

| Category of shareholder | Pre Issue number of shares | % Holding of Pre issue |
|------------------------------|----------------------------|------------------------|
| Promoters and Promoter Group | 111,236,127 | 96.97 |
| Public | 3,480,191 | 3.03 |
| Total | 114,716,318 | 100.00 |

Number / amount of Equity Shares proposed to be sold by Selling Shareholders:

| S. No. | Name of Selling Shareholder | No. of Equity Shares offered in the Offer for Sale |
|--------|-----------------------------|---|
| 1. | Purnima Ashwin Desai | Up to 2,820,000 Equity Shares aggregating up to ₹ [•] million |

RESTATED FINANCIAL STATEMENTS

(in ₹ million except otherwise stated)

| Particulars | Nine months ended December 31, | | Fiscal | | |
|---|--------------------------------|----------|----------|----------|----------|
| | 2021 | 2020 | 2021 | 2020 | 2019 |
| Equity Share capital | 1,126.91 | 85.60 | 100.99 | 85.60 | 85.60 |
| Net worth | 3,602.76 | 1,263.99 | 1,743.33 | 782.77 | 385.45 |
| Revenue (total income) | 4,493.15 | 3,373.41 | 4,537.89 | 3,037.81 | 2,032.77 |
| Profit after tax | 829.06 | 482.54 | 711.19 | 399.56 | 233.35 |
| Earnings per share (basic and diluted) | | | | | |
| Basic (in ₹) | 7.45 | 5.12 | 7.36 | 4.24 | 2.48 |
| Diluted (in ₹) | 7.45 | 5.12 | 7.36 | 4.24 | 2.48 |
| Net asset value per Equity Share (in ₹) | 31.97 | 13.42 | 15.69 | 8.31 | 4.09 |
| Total borrowings* | 2,347.30 | 2,058.03 | 2,082.00 | 1,704.89 | 1,261.27 |
| Profit before tax | 1,113.11 | 634.57 | 938.06 | 565.07 | 325.97 |
| Return on net worth | 23.01% | 38.18% | 40.79% | 51.04% | 60.54% |

*Including current and non-current borrowings

For further details see “Offer Document Summary - Summary of Restated Financial Statements”, “Restated Financial Statements” and “Other Financial Information” on page 20, 219 and 278 of the RHP respectively.

INTERNAL RISK FACTORS

Below mentioned risks are the top 5 risk factors as per the RHP:

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

SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

A. A summary of outstanding litigation proceedings involving our Company, our Promoters and our Directors, as on the date of the Red Herring Prospectus 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 litigation | Aggregate amount involved (₹ in million)* |
|--|----------------------|-----------------|-------------------------------------|---|---------------------------|---|
| Company | | | | | | |
| By the Company | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Company | Nil | 3 | Nil | Nil | Nil | 20.97 |
| Directors | | | | | | |
| By the Directors | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Directors | Nil | 2 | Nil | Nil | Nil | 86.94 |
| Promoters | | | | | | |
| By the Promoters | Nil | Nil | Nil | Nil | Nil | Nil |
| Against the Promoters | Nil | 2 | Nil | Nil | Nil | 86.94 |
| Disciplinary action in the last five Fiscals | Nil | Nil | Nil | Nil | Nil | Nil |

*To the extent quantifiable.

B. Brief details of top 5 material outstanding litigation / legal proceedings initiated against our Company and amount involved: NIL.

C. Disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any: NIL.

D. Brief details of outstanding criminal proceedings against the Promoters: NIL.

ANY OTHER IMPORTANT INFORMATION AS PER MANAGERS/COMPANY - NIL

DECLARATION BY OUR COMPANY

We hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in the Red Herring Prospectus are true and correct.

DECLARATION BY THE PROMOTER SELLING SHAREHOLDER

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, and the regulations or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in the Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be. I further certify that all the statements in the Red Herring Prospectus are true and correct.

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