



CIL NOVA PETROCHEMICALS LIMITED

Our Company was incorporated as Nova Polyarn Limited a public company, limited by shares under the Companies Act, 1956 vide Certificate of Incorporation dated December 17, 2003 with Registration No. 043354 in the State of Gujarat. The Certificate of Commencement of Business was issued by the Registrar of Companies, Gujarat on April 5, 2004. The Company is the resulting company of Nova Petrochemicals Limited under the scheme of arrangement approved by the High court of Gujarat as on August 27, 2009. However, the name of our Company was changed to CIL Nova Petrochemicals Limited and fresh Certificate of Incorporation was issued by the Registrar of Companies, Gujarat on October 19, 2009.

Registered Office: Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad-382210, Gujarat

Tel.No.: +919825800060/ +919825104042; **Fax No.:** +91 79 250556/251612.

Corporate Office: Chiripal House, Shivranjani Cross Roads, Satellite, Ahmedabad-380 015, **Tel. No.:** + 91-79 26734660; **Fax No.:** + 91-79 26768656

Contact Person: Mr. Chintan N. Amlani, Company Secretary and Compliance Officer

E-Mail: chintan.amlani@chiripalgroup.com; **Website:** www.cnpl.com; **Corporate Identity Number:** L17111GJ2003PLC043354

PROMOTERS OF OUR COMPANY: MR. JYOTIPRASAD CHIRIPAL, MR. VEDPRAKASH CHIRIPAL, MR. JAIPRAKASH CHIRIPAL AND MR. BRIJMOHAN CHIRIPAL		
FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF CIL NOVA PETROCHEMICALS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY		
<p>ISSUE OF [●] FULLY PAID-UP EQUITY SHARES OF FACE VALUE OF RS.10/- EACH (THE "RIGHTS EQUITY SHARES"), FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE AGGREGATING UPTO RS. 2,000 LACS TO EXISTING EQUITY SHAREHOLDERS OF CIL NOVA PETROCHEMICALS LIMITED ("THE COMPANY" OR "THE ISSUER") ON A RIGHTS BASIS IN THE RATIO OF [●] FULLY PAID-UP EQUITY SHARE FOR EVERY [●] FULLY PAID-UP EQUITY SHARE HELD ON THE RECORD DATE, i.e. [●], 2016 ("THE ISSUE"). THE ISSUE PRICE OF EACH EQUITY SHARE IS [●] TIME OF THE FACE VALUE OF THE EQUITY SHARE. FOR FURTHER DETAILS, PLEASE REFER TO THE SECTION TITLED "TERMS OF THE ISSUE" ON PAGE 116 OF THE DRAFT LETTER OF OFFER.</p>		
GENERAL RISKS		
<p>Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in relation to this Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India, ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Draft Letter of Offer. Investors are advised to refer to the section titled "Risk Factors" on page 10 of the Draft Letter of Offer before making an investment in this Issue.</p>		
ISSUER'S ABSOLUTE RESPONSIBILITY		
<p>The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that the Draft Letter of Offer contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in the Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any such information or the expression of any such opinions or intentions misleading in any material respect.</p>		
LISTING		
<p>The existing Equity Shares of our Company are listed on the BSE Limited, ("BSE") and National Stock Exchange of India Limited (NSE), (together the "Stock Exchanges"). The Equity Shares offered through this Letter of Offer are proposed to be listed on the ("BSE") and ("NSE"). We have received in-principle approval from BSE and NSE for listing the Equity Shares to be allotted in the Issue pursuant to letters dated [●] and [●] respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE.</p>		
LEAD MANAGER		REGISTRAR TO THE ISSUE
<p>HEM SECURITIES LIMITED 14/15, Khatau Bldg, 1st Floor, 40 Bank Street, Fort, Mumbai: 400001 Tel.: + 91 22 4906 0000 Fax.: +91 22 2262 5991 E-mail: info@hemonline.com Investor Grievance Email: redressal@hemonline.com Website: www.hemonline.com Contact Person: Mr. Anil Bhargava SEBI Registration Number: INM000010981</p>		<p>LINK INTIME INDIA PRIVATE LTD Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai-400 078 Tel.: +91 22 6171 5400 Fax.: +91 22 2596 0329 E-mail: cnpl.rights@linkintime.co.in Investor Grievance E-mail: cnpl.rights@linkintime.co.in Contact Person: Mr. Dinesh Yadav SEBI Registration Number: INR000004058</p>
ISSUE SCHEDULE		
ISSUE OPENS ON	LAST DATE FOR RECEIVING REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

TABLE OF CONTENTS

SECTION	CONTENTS	PAGE NO.
I	GENERAL	
	DEFINITIONS AND ABBREVIATIONS	1
	NOTICE TO OVERSEAS SHAREHOLDERS	6
	FORWARD LOOKING STATEMENTS	8
	PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA	9
II	RISK FACTORS	10
III	INTRODUCTION	
	SUMMARY OF THE ISSUE	24
	SUMMARY OF FINANCIAL INFORMATION	25
	GENERAL INFORMATION	29
	CAPITAL STRUCTURE	33
	OBJECTS OF THE ISSUE	37
	STATEMENT OF TAX BENEFITS	41
IV	ABOUT THE ISSUER COMPANY	
	HISTORY AND CORPORATE STRUCTURE	47
	OUR MANAGEMENT	50
V	FINANCIAL INFORMATION	
	FINANCIAL STATEMENTS	55
	MATERIAL DEVELOPMENTS	88
	WORKING RESULTS	89
	ACCOUNTING AND OTHER RATIOS	90
	CAPITALISATION STATEMENT	91
	MARKET PRICE INFORMATION	92
	FINANCIAL INDEBTEDNESS	94
VI	LEGAL AND OTHER INFORMATION	
	OUTSTANDING LITIGATIONS AND OTHER DEFAULTS	96
	GOVERNMENT AND OTHER APPROVALS	107
	OTHER REGULATORY AND STATUTORY INFORMATION	108
VII	ISSUE RELATED INFORMATION	
	TERMS OF THE ISSUE	116
VIII	OTHER INFORMATION	
	MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	149
	DECLARATION	150



SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

In this Draft Letter of Offer, unless the context otherwise requires, the terms defined and abbreviations expanded below shall have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to “CIL Nova Petrochemicals Limited” “the/our” “Company”, “CNPL”, “Issuer”, “we”, “our” and “us” are to “CIL Nova Petrochemicals Limited” and references to “you” are to the Equity Shareholders and or/ prospective investors in the Issue.

Company Related Terms

Term	Description
“CNPL”, “Our Company”, “the Company” “the Issuer” “the Issuer Company” “We” “us” “our”	CIL Nova Petrochemicals Limited
Articles/ Articles of Association/ AoA	Articles of Association of our Company, as amended from time to time
Auditor/ Statutory Auditor	Our statutory auditors namely, M/s. J.T. Shah & Co, Chartered Accountants
Board/Board of Directors	Board of Directors of our Company including a committee thereof
CEO	Mr. Pradip Khandelwal
CFO	Mr. Satish Bhatt
Company Secretary & Compliance Officer	Mr. Chintan Amlani
Director(s)	Any or all director(s) of our Company, unless otherwise specified and as the context may require
DCLLP	Devkinandan Corporation LLP
Equity Shareholder(s)/ Shareholder(s)	A holder of the Equity Shares of our Company
Equity Share(s)	Equity Shares of our Company of face value of Rs.10.00 each
Group Companies/ Group Entities	The companies, firms, ventures, etc. covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered accountants of India) on a consolidated basis, or other companies as considered material by our Board. Pursuant to resolution of the Board of the Directors dated May 23, 2016 the Company has adopted a policy to define the materiality requirement for a company to be considered as a Group Company of our Company.
Eligible Equity Shareholder(s)	Equity Shareholders whose names appear on the register of members of our Company or on the list of register of beneficial owners of our Company maintained by the Depositories as at the end of business hours on the Record Date i.e. [●]
Memorandum /Memorandum of Association/ MoA	Memorandum of Association of our Company, as amended from time to time.
NDL	Nandan Denim Limited
Promoters	Mr. Jyotiprasad Chiripal, Mr. Vedprakash Chiripal, Mr. Jaiprakash Chiripal and Mr. Brijmohan Chiripal.
Promoter Group/Promoter Group Entities	Unless the context requires otherwise, refers to such persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI (ICDR) Regulations, which are disclosed by our Company to the Stock Exchanges from time to time.
Registered Office	The registered office of our Company situated at Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad, Gujarat: 382210.
SEIL	Shanti Educational Initiatives Limited



Issue Related Terms

Term	Description
Abridged Letter of Offer	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to the Issue in accordance with the SEBI ICDR Regulations
Allottee(s)	Persons to whom Equity Shares of our Company will be issued pursuant to the Issue
Allotment /Allotted	The allotment of Rights Issue Equity Shares pursuant to the Issue
Allotment Date	The date on which the Allotment is made
Applicant(s)	The Eligible Equity Shareholders and/or the Renouncees who are entitled to apply or have applied for the Rights Issue Equity Shares under the Issue, as the case may be
Application	Application made by the Applicant whether submitted by way of the CAF or the SAF or in the form of a plain-paper Application, to subscribe to the Rights Issue Equity Shares issued pursuant to the Issue at the Issue Price
Application Amount	The aggregate value of the Application indicated in the Application Form or the SAF or in the plain paper application, payable at the time of the Application
Application Form	The form in terms of which an Applicant shall make an Application to subscribe to the Rights Issue Equity Shares pursuant to the Issue, including plain-paper Applications
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investors to make an application authorizing the SCSB to block the Application Amount in his/her/its specified bank account maintained with the SCSB
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper Application, as the case may be, for blocking the amount mentioned in the CAF or plain paper Application, as the case may be.
ASBA Investor(s)/ASBA Applicant	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: (a) are holding the Equity Shares of our Company in dematerialized form as on the Record Date and have applied for their Rights Entitlements and/or additional Equity Shares in dematerialized form; (b) have not renounced their Rights Entitlements in full or in part; (c) are not Renouncees; and (d) are applying through blocking of funds in a bank account maintained with the SCSBs Please note that, in terms of SEBI circular CIR/CFD/DIL-/1/2011 dated April 29, 2011, QIB applicants, Non-Institutional Investors (including all companies and bodies corporate) and other applicants whose application amount exceeds Rs.200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI circular dated December 30, 2009. Further, all QIB applicants and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed Rs.2,00,000.
Bankers to the Company	State Bank of India and Bank of Baroda
Bankers to the Issue	[●]
Category III Foreign Portfolio Investor(s)	Includes all other investors who are not eligible under category I and category II foreign portfolio investors (as defined under the SEBI (FPI) Regulations) such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
Composite Application Form/CAF	The form used by an Investor to make an application for the Allotment of Right Issue Equity Shares in the Issue, or renounce his Rights Entitlement or request for the SAFs, and used by sole Renouncee to make an Application for Allotment of the Equity Shares in the Issue to the extent of renunciation of Rights Entitlement in their favour.
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Equity Shares Allotted to one folio.
Controlling Branches of the	Such branches of the SCSBs which coordinate with the Lead Manager, the



Term	Description
SCSBs	Registrar to the Issue and the Stock Exchanges, a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Designated Branches	Such branches of the SCSBs which shall collect Application forms used by ASBA Investors and a list of which is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Designated Stock Exchange	BSE Limited
Draft Letter of Offer/ DLOO	The draft letter of offer dated July 05, 2016 issued by our Company in accordance with the SEBI Regulations and filed with SEBI for its observations does not contain complete particulars of the Issue
Equity Shareholders/ Eligible Equity Shareholders	A holder/beneficial owner of our Equity Shares as on the Record Date.
Foreign Portfolio Investor(s)/FPI(s)	A person who satisfies the eligibility criteria prescribed under Regulation 4 of the SEBI (FPI) Regulations and has been considered under chapter III of the SEBI (FPI) Regulations, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act. Provided that any foreign institutional investor or qualified foreign investor who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time.
HNI	High Networth Individual
Investor(s)	Eligible Equity Shareholder(s) and Renouncee(s) applying in the issue.
Issue / Rights Issue	Issue of [●] Equity Shares of face value of Rs. 10/- (“right issue equity shares”) for cash at Issue Price of Rs. [●] per Equity Share including share premium of Rs. [●] per Equity Share for an amount aggregating upto Rs. 2,000 Lacs to our existing equity shareholders on a rights basis in the ratio of [●] Equity Share for every [●] fully paid-up Equity Share held by the Equity Shareholders on the Record Date.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	Rs. [●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of [●] Equity Shares aggregating Amount up to Rs. 2,000 Lacs.
Lead Manager	Hem Securities Limited
Letter of Offer/ LoF	This final letter of offer dated [●] filed with the stock exchanges after incorporating the observations received from the SEBI on the Draft Letter of Offer
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, see the section “ <i>Object of the Issue</i> ” on page no. 37
Non Institutional Investors/ Non – Institutional Investors	All Investors, including FPIs which are foreign corporates or foreign individuals, that are not QIBs or Retail Individual Investors and who have applied for Equity Shares for an cumulative amount more than Rs. 2,00,000/-
Qualified Foreign Investors / QFIs	QFI shall mean a person who has opened a dematerialized account with a qualified depository participant as a qualified foreign investor under the SEBI (FPI) Regulations
Qualified Institutional Buyers or QIBs	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI (ICDR) Regulations
Record Date	[●]
Refund Bank	[●]
Registrar to the Issue / Registrar	Link Intime India Private Limited
Renouncee(s)	Any person(s) who has/have acquired Rights Entitlements from Eligible Equity Shareholders
Retail Individual Investors	Individual Investors who have applied for Rights Issue Equity Shares for an amount less than or equal to Rs. 200,000 in the Issue (including HUFs applying through the karta)
Rights Entitlement	The number of Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to the number of Equity Shares held by the Eligible Equity



Term	Description
	Shareholder on the Record Date
SAF(s)	Split Application Form(s)
SCSB(s)	A Self Certified Syndicate Bank, registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Securities Act	The Securities and Exchange Board of India, 1992 as amended from time to time
SEBI LODR Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended
Stock Exchanges	BSE Limited and National Stock Exchange Limited where our Equity Shares are presently listed.
Uniform Listing Agreement	The uniform listing agreement entered between the Stock Exchanges and our Company, pursuant to the SEBI LODR Regulations and SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015, in relation to the listing of the Rights Issue Equity Shares on the Stock Exchanges
Working Days	Any day, other than 2 nd and 4 th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue opening and Issue closing date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.

Conventional and General Terms or Abbreviations

Term/Abbreviation	Description/ Full Form
"Rs." /Rupees or INR	Indian Rupee
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
Central Government / Government of India	The Central Government of India
CIN	Corporate Identification Number
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CS	Company Secretary
Companies Act, 1956	Companies Act, 1956, to the extent applicable
Companies Act, 2013	Companies Act, 2013, to the extent notified as amended from time to time
Companies Act	Companies Act, 1956 and / or Companies Act, 2013, to the extent applicable
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DIPP	The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP ID	Depository Participant Identity
DP/Depository Participant	Depository Participant as defined under the Depositories Act, 1996
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extra-Ordinary General Meeting
EPS	Earnings Per Share
FY	Financial Year
FCNR Account	Foreign Currency Non-Repatriable Account
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014), registered with the SEBI under applicable laws in India
Financial Year/fiscal year/ Fiscal/ FY	Period of 12 months ending March 31 of that particular year.



Term/Abbreviation	Description/ Full Form
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
Government	The Central Government and/or the State Government, as applicable
HUF/HUFs	Hindu Undivided Family / Hindu Undivided Families
ICAI	The Institute of Chartered Accountants of India
IFSC	Indian Financial System Code
IFRS	International Financial Reporting Standards
India	Republic of India
Indian GAAP	Generally accepted accounting principles followed in India
IT Act	Income Tax Act, 1961
KMP	Key Managerial Personnel
KYC	Know Your Customer
MCX	Multi Commodity Exchange
MD	Managing Director
MICR	Magnetic Ink Character Recognition
Mutual Fund	Mutual fund registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer.
NOF	Net Owned Fund
NR	Non-Resident
NRE Account	Non-Resident External Account
NRI	Non-Resident Indian
NRO Account	Non-Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB(s)	Overseas Corporate Body(ies)
P.A.	Per annum
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
P/E Ratio	Price / Earnings Ratio
RBI	Reserve Bank of India
RoC	Registrar of Companies of State of Gujarat.
RTGS	Real Time Gross Settlement.
RONW	Return on Net Worth
STT	Securities Transaction Tax
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI (FPI) Regulation	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI Regulations/SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
State Government	Government of a state of India
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time
WTD	Whole Time Director

Notwithstanding the foregoing, terms in sections titled “*Statement of Tax Benefits*”, “*Financial Information*” and “*Outstanding Litigation and Other Defaults*” on pages 41, 55 and 96 respectively of the DLOO, have the meanings given to such terms in these respective sections.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, as amended, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder.



NOTICE TO OVERSEAS SHAREHOLDERS

The distribution of this Draft Letter of Offer and the issue of the Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer/Letter of Offer/Abridged Letter of Offer and CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company as on the Record Date and will dispatch the Draft Letter of Offer/Letter of Offer/Abridged Letter of Offer and CAF to Eligible Equity Shareholders who have provided an Indian address. Overseas shareholders, who have not updated our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Letter of Offer / Abridged Letter of Offer and CAFs, shall not be sent the Letter of Offer / Abridged Letter of Offer and CAFs

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that the Draft Letter of Offer has been filed with the SEBI for its observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and the Draft Letter of Offer may not be distributed, in any jurisdiction outside India. Receipt of the Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of the Draft Letter of Offer should not, in connection with the issue of the Equity Shares or the Rights Entitlements, distribute or send the Draft Letter of Offer in or into the United States of America or any other jurisdiction where to do so would or might contravene local securities laws or regulations. If the Draft Letter of Offer is received by any person in any such territory, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlements referred to in the Draft Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Equity Shares in this Issue must provide an Indian address. Any person who makes an application to acquire rights and the Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Managers or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

Neither the delivery of the Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to the date of the Draft Letter of Offer.

The contents of the Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Equity Shares. As a result, each Investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of Equity Shares. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Equity Shares regarding the legality of an investment in the Equity Shares by such offeree or purchaser under any applicable laws or regulations.



NO OFFER IN THE UNITED STATES

The Rights Entitlements and Rights Issue Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States. The rights and securities of our Company, including the Equity Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “**United States**” or “**U.S.**”) or to, or for the account or benefit of, U.S. persons [as defined in Regulation S under the Securities Act (“**Regulation S**”)], except in a transaction exempt from the registration requirements of the Securities Act. The rights referred to in the Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, the Draft Letter of Offer/ Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. None of our Company, the Lead Manager or any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under the Draft Letter of Offer, and all persons subscribing for the Equity Shares and wishing to hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this issue of Equity Shares on a rights basis to the Equity Shareholders of our Company and the Draft Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations. Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the United States; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.



FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer are not historical facts but are “forward-looking” in nature. Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

Words such as “believe”, “anticipate”, “estimate”, “seek”, “expect”, “continue”, “intend”, “predict”, “project”, “should”, “goal”, “future”, “could”, “may”, “will”, “would”, “targets”, “aims”, “is likely to”, “plan” and similar expressions, or variations of such expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved.

These risks, uncertainties and other factors include, among other things, those listed under “**Risk Factors**”, as well as those included elsewhere in this Draft Letter of Offer. Investors should be aware that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited, to:

- General economic and business conditions in India and other countries.
- Regulatory changes relating to the finance and capital market sectors in India and our ability to respond to them.
- Changes in laws and regulations that apply to the Company.
- Our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks that have an impact on our business activities or investments.
- Our ability to keep pace with rapid changes in finance and stock broking sector.
- 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 domestic and foreign laws, regulations and taxes and changes in competition in our industry.
- Changes in the value of the Rupee and other currencies.
- The occurrence of natural disasters or calamities.
- Change in political and social condition in India.

For a further discussion of factors that could cause our Company's actual results to differ, see the sections “**Risk Factors**” on page no. 10 of the DLOO. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

Neither our Company nor the Lead Manager or any of their respective affiliates make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI/Stock Exchanges requirements, our Company and Lead Manager will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges for the Equity Shares allotted pursuant to this Issue.



PRESENTATION OF FINANCIAL INFORMATION AND USE OF MARKET DATA

Certain Conventions

References in this Draft Letter of Offer to “India” are to the Republic of India.

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from our Company's audited financial statements. Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year.

Our Company prepares its financial statements in accordance with the generally accepted accounting principles in India, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from the IFRS. Our Company publishes its financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. For definitions, see the section *“Definitions and Abbreviations”* on page no. 1 of the DLOO.

Currency of Presentation

All references to “Rupees”, “INR” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. In this Draft Letter of Offer, reference to the singular also refers to the plural and one gender also refers to any other gender.

Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in “Lacs”, where the “1 Lac” means “100 thousand”. In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off, and unless otherwise specified, all financial numbers in parenthesis represent negative.



SECTION II - RISK FACTORS

An investment in our Equity Shares involves a degree of risk. You should consider all information in the Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. Investors should carefully consider all the information contained in the section titled “Financial Information” on page no. 55 for the information related to the financial performance of our Company. If any of the following risks or any of the risks and uncertainties discussed in the Draft Letter of Offer or other risks that are not currently known or are now deemed immaterial, actually occur, our business, cash flow, financial condition and results of operations could suffer, the price of our Equity Shares could decline and you may lose all or part of your investment.

The risk set out in the Draft Letter of Offer may not be exhaustive and additional risk and uncertainties not presently known to us, or which may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. Before making an investment decision, investors must rely on their own examination of the offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section.

INTERNAL RISK FACTORS

1. *Our Company has in the past been restrained by SEBI from Accessing the Capital Markets and also has a consent order passed against it for non-compliance of SEBI (SAST) Regulations.*

Our Company, prior to its scheme of Arrangement i.e. erstwhile Nova Petrochemicals Limited, had received a Show Cause Notice dated June 01, 2009 under Section 11, 11(4), 11B of SEBI Act, 1992 read with SEBI (PFUTP) Regulations, 2003 for alleged violation of Section 12A of PFUTP. Pursuant to the above, the Whole Time Member of SEBI on January 12, 2010 passed an order restraining Nova Petrochemicals Limited from buying, selling and dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years from the date of the order.

Further, our Company, prior to its scheme of Arrangement i.e. erstwhile Nova Petrochemicals Limited had received a Show Cause Notice dated September 10, 2009 for failure to make disclosure under regulation 7(3) and regulation 8(3) of the SEBI (SAST) Regulations, 1997. After the Scheme of Arrangement, the company made a Consent Application vide its letter dated April 16, 2010 and the same was passed with a consent term of Rs. 10,00,000/- (Rs. 5,00,000 payable by CIL Nova Petrochemicals Ltd. and GSL Nova Petrochemicals Ltd. each) on April 10, 2013 i.e. 3 years prior to the date of filing this DLOO.

Though the above orders and consents were pertaining to cases before the scheme of arrangement, our Company and its Promoters / Directors have taken necessary measures to ensure that such non-compliances and violations do not occur in future. Further, no such violation has occurred in the last 3 years. However, we cannot guarantee that such non-compliances and violations will not take place and the same if occurred, may affect our goodwill and future prospects.

2. *Our Promoter/Director, Mr. Vedprakash Chiripal has been issued a show cause notice (in the capacity of Chairman of erstwhile Nova Petrochemicals Limited) by SEBI, in relation to non-compliance of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003 and SEBI (Prohibition of Insider Trading) Regulations, 1992 requirements, and in pursuance of which investigation has been instituted by SEBI.*

Our Promoter-Director, Mr. Vedprakash Chiripal (in the capacity of Chairman of erstwhile Nova Petrochemicals Limited) has been issued a show cause notice by SEBI relating to non-compliance of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003 and SEBI (Prohibition of Insider Trading) Regulations, 1992 requirements, in pursuance of which investigation has been instituted by SEBI.

For further details, please refer to section titled “Outstanding litigations and Other Defaults” beginning on page no. 96 of the Draft Letter of Offer.



3. Our Company, our Directors and our Promoter Group Entities are involved in certain legal proceedings, which, if decided against us, could impact our income and financial condition.

Our Company, our Directors and our Promoter Group Entities are involved in certain legal proceedings, which are pending at various stages of adjudication before the City Courts, High Courts, and various Tribunals. Any rulings by appellate courts or tribunals against our Company, our Directors and our Promoter Group Entities would have a material impact on our business, result of operations, financial condition and prospects.

Classification of these legal and other proceedings instituted by and against our Company, our Directors and our Promoter Group Entities are given in the following tables:

Litigation involving our Company:

(Rs. In Lacs)

Nature of Cases	No. of outstanding cases	Aggregate Amount involved (if ascertainable)
Income Tax	8	1,296.19
Excise	9	2,017.43
Service Tax	3	46.06
Textile Cess	3	1,01.80

Litigation involving our Promoter (s)

(Rs. In Lacs)

Nature of Cases	No. of outstanding cases	Aggregate Amount involved (if ascertainable)
Criminal	2	Not Ascertainable
Civil	2	893.51

Litigation involving our Promoter Group

(Rs. In Lacs)

Group Entity	Nature of Cases	No. of outstanding cases	Aggregate Amount involved (if ascertainable)
Nandan Denim Limited	Income Tax	9	370.09
	Labour	14	3.94
	Civil	6	929.52
	Criminal	10	50.86
	Excise	6	1,49.25
	Insurance	1	15.78
	Arbitration	1	74.21
Chiripal Industries Limited	Criminal	8	48.18
	Civil	5	1,27.70
	Income Tax	5	1,201.96
	CESTAT	16	906.36
	Labour	13	15.47
	Wealth tax	1	4,98.01
Vishal Fabrics Limited	Civil	1	4.57
	Custom	1	0.90
	Excise	2	17.75
	Factory & Labour	3	0.60
	Income Tax	3	465.86
Shanti Exports Private Limited	Sales Tax	1	6,95.88

Note: The above litigation consists of the cases filed by and against our Company, our Directors and our Promoter Group Entities. We estimate that the above mentioned amount may be payable by our Company, our Directors and our Promoter Group Entities, in the event any of the above mentioned cases are decided against our Company, our Directors and our Promoter Group Entities. However we cannot assure you, that this litigation may not result in any further counterclaims. For further details please refer the chapter titled “**Outstanding Litigations and Other Defaults**” on page no. 96 of the DLOO.



4. *There may be potential conflict of interests between our company and other venture or enterprises promoted by our promoters or directors.*

The main objects of our Company Nandan Denim Limited, Vishal Fabrics Limited and Chiripal Industries Limited allow them to have same/similar business as carried out by our Company. Further we have not executed any Non-Compete Agreements with our Company undertaking not to engage in businesses similar to that of our Company. Failure to adhere to the may have an adverse effect on our business operations and financial conditions.

5. *Our net cash flows from operating, investing and financing activities have been negative in the past. Any negative cash flow in the future may affect our liquidity and financial condition.*

Our cash flow from our investing and financing activities have been negative in the past. The details of Cash flows of our Company are as follows:

Particulars	For the year ended (in Lacs)		
	31.03.2016	31.03.2015	31.03.2014
Net Cash (used)/from in Investing Activities	(356.65)	739.70	(398.71)
Net Cash (used) in Financing Activities	(2883.02)	(3264.29)	(1820.94)

Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

6. *Our Company has entered into, and will continue to enter into, related party transactions. There cannot be any assurance that in future such transactions will not have any effect on our financial conditions and results of operations.*

Our Company has entered into transactions with related parties, including the Promoters and Directors. For further details regarding the Company's related party transactions, refer to chapter on page no. 20 of this Draft Letter of Offer. Further, a portion of our Company's business is expected to involve transactions with related parties and other affiliates that the Board of Directors may choose to involve in our Company's business. There cannot be any assurance that in future such transactions will not have any effect on our financial conditions and results of operations.

7. *In the event there is any delay in the completion of the Issue, there would be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.*

The funds that we receive would be utilized for the objects of the Issue as has been stated in the Chapter "**Objects of the Issue**" on page 37 of the DLOO. The proposed schedule of implementation of the objects of the Issue is based on our management's estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

8. *We have not identified any alternate source of raising the working capital mentioned as our 'Objects of the Issue'. Any shortfall in raising / meeting the same could adversely affect our growth plans, operations and financial performance.*

Our Company has not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of working capital or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the company.

9. *Our operations are prone to fire and could expose us to the risk of liabilities, lost revenues and increased expenses.*

Our operations are subject to fire hazards associated with the large scale processing of textiles in high temperature steam and other processes. This hazard can cause personal injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage, and may result in the suspension of operations and the imposition of civil and criminal liabilities.

In 2010-11, there was a fire at our plant in Ahmedabad which resulted in loss of inventory, mainly pertaining to our job



work clients. The total claim acknowledged by us with the Insurance Company was Rs. 763.65 lakhs for damage goods. Out of the above, Rs. 717.92 lakhs of claim was pertaining to goods received from various parties for job work, while Rs. 45.73 lakhs was pertaining to own goods.

As a result of past or future operations, there may be additional claims of injury by employees or members of the public due to fire, or alleged exposure to the fire. Liabilities incurred as a result of these events have the potential to materially impact our financial position. Events like these could also adversely affect the perception of our company with suppliers, customers, regulators, employees and the public, which could in turn affect our financial condition and business performance. While we maintain general insurance against these liabilities, insurance proceeds may not be adequate to fully cover the substantial liabilities, lost revenues or increased expenses that we might incur.

10. Our processing unit is geographically located in one area and any localized social unrest, natural calamities, etc. could have material adverse effect on business and financial operations.

Our processing unit is based in Survey no. 396, Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad in the State of Gujarat. As a result, any localized social unrest, natural disaster or breakdown of services and utilities in and around our unit could have material adverse effect on our business, financial position and results of operations. Further, any continuous addition of industries in and around our facilities without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure in Ahmedabad, which may affect our business.

11. There has been a shortfall in performance vis-à-vis promises of Nova Petrochemicals Limited, our erstwhile entity.

Nova Petrochemicals Limited (NPL), our erstwhile entity which accessed the capital market in the past. There has been a shortfall in the performance vis-à-vis promises made by it in the course of its public issue of equity share.

NPL made the issue with the object to part finance the setting up of a plant (3 lines) to manufacture Partially Oriented Polyester Filament Yarn (POY) with an installed capacity of 11977 MT. The project implementation got delayed by about 6 months in case of first and second line and by about 9 months in case of third line thus resulting in company not being able to achieve its objects as per the schedule.

The projections of sales and profitability were made as follows:

(Rs in Lacs)					
Sr. No.	Particulars	1995-96 (Projected)	1995-96 (Actuals)	1996-97 (Projected)	1996-97 (Actuals)
1	Capacity Utilization	60%	28%	85%	76.59%
2	Sales	6220	2040	8900	7300
3	PBDIT	1480	320	2150	1500
4	Interest	540	120	620	600
5	Depreciation	260	50	270	670
6	Tax	0	0	160	30
7	PAT	680	150	1100	200
8	Net Cash Accruals	940	200	1370	870
9	Equity Share Capital	930	920	930	950
10	Reserves & Surplus	2450	1940	3370	2140
11	Book Value of Shares (Rs.)	36.29	30.11	46.12	32.53
12	Earning Per Shares (Rs)	7.27	1.56	11.83	2.11

The major reason for deviation in the promise as against the performance was due to delay in commercial production by about 7 months on account of delay in implementation of the project. The commercial production of first line commenced from mid of October, 1995 instead of April, 1995. Similarly, the commercial production of second and third lines was also delayed.

12. There has been a shortfall in performance vis-à-vis promises of Nandan Denim Limited, our Promoter Group Entity

Nandan Denim Limited, our Promoter Group Entity has accessed the capital market in the past. There has been a shortfall in the performance vis-à-vis promises made by it in the course of its public issue of equity share. NEL made the issue with the object to part finance the expansion of the denim capacity by 20 million meters per annum, setting up of spinning unit with installed capacity of 32,000 spindles to produce, setting up of 15 MW captive power plant and for general corporate purposes



and to meet the expenses of the issue.

The Cost of the Project as per the Letter of Offer was as follows:

(Rs. in Lacs)				
Particulars	Spinning	Denim	Power Plant	Total
Land & site development	10.00	-	-	10.00
Civil construction & factory building	263.90	127.70	30.00	421.60
<u>Plant & Machinery:</u>				
- Imported	859.20	401.80	-	1261.00
- Indigenous	231.00	307.60	538.00	1076.60
Contingencies	81.80	53.10	40.40	175.30
Pre-operative expenditure	49.10	29.80	16.60	95.50
Margin money for working capital	130.00	100.00	-	230.00
General corporate purpose	-	-	-	65.49
Total cost of project	1625.00	1020.00	625.00	3335.49

The project was to be implemented as under:

Name of the project	Originally scheduled for completion	Actual completion
Spinning	March, 2008	February, 2008
Denim	March, 2008	Year 2010
Power Plant	September, 2008	Year 2010

The financial tie-up of the term loan of Rs. 24,300 Lacs was completed by Nandan Exim Limited ("NEL"). However, during the course of implementation of the project, the validity period of some of the sanctions given by the Banks had expired. Some banks, which were part of the consortium, cancelled the sanction documents executed by them for the respective term loans. NEL approached the banks for re-validation of the term loan. However, the disbursement of the term loans by banks was kept in abeyance till the approval of revalidation of the terms loans by the members of consortium. This process of revalidation and approaching the new banks for the tie-up of the term loan delayed the implementation of the project. For further details, refer to chapter titled "*Our Management*" beginning on page 50 of the DLOO.

13. We require several approvals, licences, registrations and permits for our business and the failure to obtain or renew them in a timely manner may adversely affect our operations.

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained those permits and licenses which are adequate to run our business, we cannot assure that there is no other statutory/regulatory requirement which we are required to comply with. Further, some of these approvals are granted for fixed periods of time and need renewal from time to time. We are required to renew such permits, licenses and approvals. There can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Failure by us to renew, maintain or obtain the required permits or approvals in time may result in the interruption of our operations and may have a material adverse effect on our business.

14. We have certain contingent liabilities not provided for which may adversely affect our financial condition.

Sr. No.	Particulars	2015-2016
1	Letter of credit outstanding	1,93,42,438
2	Income Tax Demand Dispute in appeal by the Company/Income Tax authorities	4,31,82,290
3	Excise Duty Demand Dispute in appeal by the Company /Excise authorities	21,27,67,346
4	Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles	50,90,119
5	Service Tax Demand disputed in appeal by the Company/Authority	13,36,011
6	Claims not acknowledged as debts by the Company	1,12,500
7	Show cause notices as received from various authorities	24,10,200
8	Employees demand pending before Labour Courts	Amount not ascertainable
9	In respect of restructured debts under CDR Mechanism, the banks has the right to recompense in respect of waivers /sacrifice made by them under CDR.	Amount not ascertainable



15. We may not be sufficiently protected or insured for certain losses that we may incur. We may also face certain claims against us, which may have an adverse effect on our business operations and financial conditions.

Although we attempt to limit and mitigate our liability for damages arising from negligent acts, errors or omissions through contractual provisions and/or insurance policies, the limitations of liability set forth in our contracts and/or our insurance policies may not be enforceable in all instances or may not protect us from liability for damages. A successful assertion of one or more large claims against us could adversely affect the results of our operations. Further, we have not insured ourselves against exposure to certain risks and events such as loss of profit, Defect Liability insurance, keyman insurance policy etc. which may lead to financial liability/adverse consequences for us. Further, even where we have availed of insurance cover, we may not be able to successfully assert our claims for any liability or loss under the said insurance policies.

16. Constraint in the availability of raw material or volatility in the price of raw material may have an adverse impact on our business operations and profitability.

Our consumption of raw materials increased from Rs. 17,551.28 Lacs in the FY 2012-2013 to Rs. 17,654.97 Lacs in the FY 2013-2014. However, it decreased to Rs.16,169.04 Lacs in the FY 2014-2015 and later on to Rs. 13,269.81 in FY 2015-2016

Due to decrease in turnover of the Company, cost of material decreased and also it was primarily on account of decrease in the value of polyester chips, which constitutes a significant part of our raw material cost.

Our Company procures raw materials at rates which commensurate with the industry. Polyester chips and spin finish oil are the major raw materials required for Unit 1. Polyester chips are procured from the domestic market whereas spin finish oil is procured from the overseas market. The polyester yarn and texturised yarn, which constitute the major raw material for Unit 2, are primarily sourced in-house from Unit 1. Constraint in the availability of raw material, primarily polyester chips, will have an adverse impact on our entire production cycle. Further, volatility in the price of raw material may also adversely impact our business operations and profitability.

17. Our inability to manage growth could disrupt our business operations and have an adverse impact on our profitability.

We expect our yarn and fabric business to grow as we gain greater access to financial resources. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across our organization. In particular, with expansion we will have to counter the challenges involved in:

- preserving a uniform culture, values and work environment across our projects;
 - developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems;
 - recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
 - maintaining high levels of client satisfaction; and
 - adhering to health, safety, and environmental standards.
- Our inability to manage growth could disrupt our business operations and have an adverse impact on our profitability.

18. We have not carried out an independent appraisal of our working capital requirements. Therefore, if our estimation is not accurate, we may be required to raise additional debt on terms that may not be totally favourable to us.

Our working capital requirements are as per the management's estimates and we have not independently appraised or evaluated our working capital requirements by any bank or financial institution. Further, the estimates of our working capital requirement are based on the experience of our management and Promoters. However, it cannot be assured that these estimates may be accurate. We may require more working capital in which case, we may be required to raise additional debt, on terms that may not be totally favourable to our Company, which may in turn adversely affect our profitability.

19. The schedule of implementation envisaged by us may be delayed and as a result thereof, we may face operational delays. This may have an adverse effect on our business operations and our return on investments.

The proposed schedule of implementation may be delayed by any reason whatsoever, including any delay in completion of the Issue. If the schedule of implementation is delayed, we may have to revise our working capital limits resulting in unprecedented financial mismatch and this may affect our revenues and results of operations.

20. The objects of the Issue for which funds are being raised have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in the section titled



“Objects of the Issue”. Any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings.

Our funding requirements and the deployment of the Net Issue proceeds are based on management estimates and have not been appraised by any bank or financial institution. It cannot be assured that these estimates are accurate. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. Our estimates may exceed the value that would have been determined by third party appraisals and may require us to reschedule our projected expenditure, which may have a bearing on our expected revenues and earnings. Further, if the actual expenditure for the “*Objects of the Issue*” exceeds the estimates of our management, we may be required to raise additional debt, on terms that may not be totally favourable to our Company, which may in turn affect our profitability. Further, the deployment of the funds towards the “*Objects of the Issue*” is entirely at the discretion of our Board of Directors and is not subject to monitoring by external independent agency. However, the deployment of funds is subject to monitoring by our audit committee. However, in accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the Shareholders by way of a special resolution and other applicable compliances.

21. Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Net Issue Proceed. As on date we have not identified the use of such funds.

Portion of our Issue Proceeds are proposed to be utilized for general corporate purposes which constitute [●] % of the Net Issue Proceed. We have not identified the general corporate purposes for which these funds may be utilized. The deployment of such funds is entirely at the discretion of our management in accordance with policies established by our Board of Directors from time to time and subject to compliance with the necessary provisions of the Companies Act.

22. Our success largely depends on our key managerial personnel and our ability to attract and retain them. Any loss of our key managerial personnel could adversely affect our business, operations and financial condition.

We depend significantly on the expertise, experience and continued efforts of our key managerial personnel. If one or more members of our key managerial personnel are unable or unwilling to continue in his/her present position, it could be difficult to find a replacement. Our business could thereby be adversely affected. Opportunities for key managerial personnel in our industry are intense and it is possible that we may not be able to retain our existing key managerial personnel or may fail to attract/ retain new employees at equivalent positions in the future. As such, any loss of key managerial personnel could adversely affect our business, operations and financial condition.

23. We may face labour disruptions that would interfere with our business operations and consequently may have an adverse impact on the financial condition of our Company

We are exposed to the risk of strike and other industrial actions. As on March 31, 2016, we had 133 employees and 184 workers on rolls of our Company in various divisions. While we believe that we enjoy a good relationship with our employees and workers, we may experience strike, work stoppage or other industrial action in the future. Any such strike, work stoppage or industrial action by our own employees and workers or the employees and workers of our suppliers or transportation providers could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business and results of operation.

24. Our business is dependent on our manufacturing facilities and the loss of or shutdown of the facilities could adversely affect our business.

A significant portion of our business is dependent on smooth production of the textiles at our manufacturing facility at Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad and therefore, are subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. Any significant operational problem, loss or shutdown of the manufacturing facility for an extended period of time could adversely affect our business, results of operation and financial condition of our Company.

25. We are subject to certain restrictive covenants under various debt facilities provided to us by our lenders and there can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take actions to grow our business

We have availed loans and financial facilities from the following banks namely; State Bank of India and Bank of Baroda



(“our Lenders”). In respect of various agreements entered into by our Company with our Lenders and sanction letters issued by our Lenders to us, we are bound by certain restrictive covenants. These restrictive covenants require us to obtain the written consent from the lenders before making / effecting the following changes:

- Effect any adverse changes in Company’s capital structure.
- Formulate any scheme of amalgamation or merger or reconstruction.
- Implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank.
- Enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other Bank, financial institution. Company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.
- Invest by way of share capital in or lent or advance funds to or place deposits with any other Company/firm/concern (including group companies/associates)/persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however be extended.
- Undertake guarantee obligations on behalf of any other Company/firm/person.
- Make any drastic change(s) in its management set-up.
- Enter into any contractual obligation of a long term nature or affecting the company financially to a significant extent.
- Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
- Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
- Sell or dispose off or create security or encumbrances on the assets charged to the Bank in favour of any other Bank, Financial institution, Company, firm, individual.
- Repay monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the Company/firm by way of deposits/loan/share application money etc.
- Declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank making all due and necessary provisions and till the financial position improves at the estimated/projected levels given by them.
- All unsecured loans / deposits raised by the company for financing a project are always subordinate to the loans of the banks/ financial institutions and should be permitted to be repaid only with the prior approval of the all the banks and the financial institution concerned.

There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business or which are in the interest of our shareholders.

For details of loans availed by our Company and the above mentioned restrictive covenants, please refer to “**Financial Indebtedness**” beginning on page 94 of the DLOO.

26. Our business is subject to a significant number of legal and tax regulations and there may be changes in legislation governing the rules implementing them or the regulator enforcing them. Changes in the operating environment, including changes in tax law, may impact the determination of our tax liabilities for any given year, which may have an adverse impact on our profitability.

We currently have our business spread across a few states in India. Consequently, we are subject to the jurisdiction of various laws, tax authorities and regulations. The final determination of our tax liabilities involve the interpretation of local tax laws and related authorities in each jurisdiction as well as the significant reliance on estimates and assumptions regarding the scope of future operations and results achieved and the timing and nature of income earned and expenditures incurred. Changes in the operating environment, including changes in tax law, could impact the determination of our tax liabilities for any given year. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, VAT, income tax, service tax and other taxes, duties or surcharges introduced from time to time.

27. Our Promoter and Promoter Group members have provided personal guarantees for loans availed by our Company. Our business, financial condition, results of operations, cash flows and prospects may be adversely affected by the invocation of all or any personal guarantees and securities or enforcement of the collateral provided by our Promoter and Promoter Group members.

Our Promoter and Promoter Group and Group Company have provided personal/corporate guarantees to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter, Promoter Group Members and Promoter Company may be invoked and/ or the collateral may also be enforced, which could negatively impact the reputation and networth of the Promoters. Also, we may face certain impediments in taking decisions in relation to our Company, which



in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter, Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer ***“Financial Indebtedness”*** on page no.94 of this Draft Letter of Offer.

28. We do not provide for a decline in the value of our unquoted investments, and this may have a material adverse effect on our business, results of operations and financial conditions.

We have not made any provision for decline in the value of investments since they are unquoted. Further if a provision is made in future on account of permanent decrease in value of these investments, our profits will reduce to the extent of such provision. This may have an adverse impact on our business if we make material investments in future.

29. Insufficient cash flows to meet required payments on our debts and working capital requirements could adversely affect our Company’s operations and financial results

The business of our Company requires a significant amount of working capital to finance the purchase of raw materials and maintain inventories and term loans for establishment of manufacturing facilities and acquisition of equipments. The working capital requirements of our Company are also affected by the credit lines that our Company extends to its customers, in line with industry practice. Moreover, our Company may need to raise further term loans and working capital loans in the future to meet its capital expenditure and to satisfy its working capital requirements. There can be no assurance that our Company will continue to be successful in arranging adequate working capital and term loans for its existing or expanded operations on acceptable terms or at all, which could adversely affect our Company’s operations and financial results.

30. Corporate Office of our Company is situated in the premises, which is owned by our Group Company. There can be no assurance that this agreement would be renewed upon expiry or on terms and conditions acceptable to us.

The corporate office of our Company is located in the premises owned by Shanti Exports Private Limited (one of our Promoter Group entity). In respect of this premises, our Company has not entered into any Lease Agreement which may not provide stability for carrying out our operations effectively in future and would result to vacate the place any time without any notice in absence of any Lease Agreement. Any failure to continue in the said arrangement could force us to procure new premises, including substantial time and cost of relocation or procure new premises. In addition, we may not be able to identify satisfactory new premises or may have to incur substantial additional costs towards those premises. Any of the aforesaid could have a material adverse effect on our business, results of operation and financial condition.

31. Any changes in regulations or applicable government incentives would adversely affect the Company’s operations and growth prospects.

The GoI has provided several incentives to the textile sector, from which our Company may benefit, including the TUFs interest and capital subsidies. These incentives could be modified or removed at any time, or new regulations could be introduced applicable to our Company’s business, which could adversely affect our Company’s operations and financial results.

Our Company is also subject to various regulations and textile policies, primarily in India. Our Company’s business and prospects could be adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for its operations or that compliance issues will not be raised in respect of its operations, either of which would have a material adverse effect on the Company’s operations and financial results.

32. We face substantial competition in the textile business, both from Indian and international companies, which may adversely affect our revenues

We face significant competition from existing players and potential entrants in the Indian textile industry. The Indian textile industry is highly competitive in man-made fibres segment. We will face competition mainly from large vertically integrated and diversified companies as well as new companies, particularly in China and Indonesia. Some of our international competitors are larger than us and have greater financial resources. Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have an adverse effect on our business,



results of operations and financial condition.

33. *Fluctuations in the exchange rates between the currencies resulting in decline in the value of rupee against other currencies could increase the rupee cost which could consequently have a material adverse effect on our Company's financial condition.*

For the fiscal 2016 there was no export. However, exchange rate fluctuation can have an adverse effect on our revenue generated out of export sales. Any decline in the value of rupee against other currencies could increase the rupee cost.

34. *Our Company will be controlled by the Promoters so long as they control a majority of the Equity Shares. Further, our Promoters will continue to hold substantial interest after the Issue and will have the ability to exercise a controlling influence over our business and may cause us to take actions that may not be in our best interest.*

Promoters and Promoter Group are currently holding 69.05 % of our Company's paid up equity share capital and will continue to hold post issue paid up equity share capital of our Company. As a result, Promoters will continue to exercise significant control over our Company, including being able to control the composition of our Company's board of directors and determine decisions requiring special majority voting, and the other shareholders will be unable to affect the outcome of certain shareholder voting. As a result, our Promoters may take or block actions with respect to our Company's business, which may conflict with our Company's interests or the interests of the minority shareholders, such as actions with respect to future capital raising or acquisitions. In addition, our Promoters also control certain other companies that are in the same business as the Company with which the Company may have conflicts of interest.

35. *Any future issuance of Equity Shares may dilute investors' shareholding and any sale of our Company's Equity Shares by the Promoters or other major shareholders may adversely affect the trading price of Equity Shares*

Any future equity issuances by our Company may lead to the dilution of investors' shareholdings. Any future equity issuances by our Company or sales of Equity Shares by the Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of Equity Shares.

EXTERNAL RISKS

36. *The Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 have effected significant changes to the existing Indian company law/ listing framework, which may subject us to higher compliance requirements and increase our compliance costs.*

A majority of the provisions and rules under the Companies Act, 2013 have come into effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in futures trading. Further, the Companies Act, 2013 imposes greater monetary and other liability on us and our directors for any non-compliance.

To ensure compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to be notified. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

37. *Political instability or changes in the Government in India or in the government of the states where we operate could cause us significant adverse effects.*



We are incorporated in India and all of our operations, assets and personnel are located in India. Consequently, our performance and the market price and liquidity of our Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The central government has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our businesses, and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in central government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive central governments have pursued policies of economic liberalization and financial sector reforms. However, there can be no assurance that such policies will be continued. A significant change in the central government's policies, in particular, those relating to the banking and finance industry in India, could adversely affect our business, financial condition and results of operations and could cause the price of our Equity Shares to decline.

38. Our business is dependent on economic growth in India.

Our performance is dependent on the health of the overall Indian economy. There have been periods of slowdown in the economic growth of India. India economic growth is affected by various factors including domestic consumption and savings, balance of trade movements primarily resulting from export demand and movements in key imports, such as oil and oil products, and annual rainfall, which affect agricultural production. For example, in the monsoon of 2009, Several parts of the country experienced below average rainfall, leading to reduced farm output which impaired economic growth. In the past, economic slowdowns have harmed industries and industrial development in the country. Any future slowdown in the Indian economy could harm our business, financial condition and results of operations.

39. The extent and reliability of Indian infrastructure could adversely affect our results of operations and financial condition.

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

If the rate of Indian price inflation increases, our results of operations and financial condition may be adversely affected.

In recent years, India's wholesale price inflation index has indicated an increasing inflation trend compared to prior periods. An increase in inflation in India could cause a rise in the price of transportation, wages, raw materials or any other expenses. In particular, the prices of raw materials required for manufacturing of our products are subject to increase due to a variety of factors beyond our control, including global commodities prices and economic conditions. If this trend continues, we may be unable to reduce our costs or pass our increased costs on our customers and our results of operations and financial condition may be materially and adversely affected.

40. Global economic downturn and adverse market conditions could cause our business to suffer. A slowdown in economic growth in India could cause our business to suffer

The developed economies of the world viz. U.S., Europe, Japan and others are in midst of a downturn affecting their economic condition and markets general business and consumer sentiment has been adversely affected due to the global slowdown and there can be no assurance whether the developed economies or the emerging market economies will see good economic growth in the near future. Consequently, this has also affected the global stock and commodity markets. Our performance and growth is directly related to the performance of the Indian economy. The performance of the Indian economy is dependent among other things on the interest rate, political and regulatory actions, liberalization policies, commodity and energy prices etc. A change in any of the factors would affect the growth prospects of the Indian economy, which may in turn adversely impact our results of operations, and consequently the price of our Equity Shares.

41. Any downgrading of India's debt rating by an independent agency may harm our ability to raise debt financing.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our capital expenditure plans, business and financial performance.

42. Regional hostilities, terrorist attacks, communal disturbances, civil unrest and other acts of violence or war involving India and other countries may result in a loss of investor confidence and adversely affect the financial markets and our business.



Some parts of India have experienced communal disturbances, terrorist attacks and riots during recent years. If such events recur, our operational and marketing activities may be adversely affected, resulting in a decline in our income. The Asian region has, from time to time, experienced instances of civil unrest and hostilities among neighbouring countries. Since May 1999, military confrontations between countries have occurred in Kashmir. The hostilities between India and its neighbouring countries are particularly threatening because India and certain of its neighbours possess nuclear weapons. Hostilities and tensions may occur in the future and on a wider scale. Also, since 2003, there have been military hostilities and continuing civil unrest and instability in Afghanistan. There has also recently been hostility in the Korean Peninsula. In July 2006 and November 2008, terrorist attacks in Mumbai resulted in numerous casualties. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy and could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders preemptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the preemptive rights have been waived by the adoption of a special resolution by holders of threefourths of the equity shares voting on such resolution. However, if the law of the jurisdiction that you are in does not permit the exercise of such preemptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such preemptive rights, unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise preemptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced

44. *The occurrence of natural disasters may adversely affect our business, financial condition and results of operations.*

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires and pandemic disease may adversely affect our financial condition or results of operations. The potential impact of a natural disaster on our results of operations and financial position is speculative, and would depend on numerous factor. The extent and severity of these natural disasters determines their effect on the Indian economy. Although the long term effect of diseases such as the H5N1 “avian flu” virus, or H1N1, the swine flu virus, cannot currently be predicted, previous occurrences of avian flu and swine flu had an adverse effect on the economies of those countries in which they were most prevalent. An outbreak of a communicable disease in India would adversely affect our business and financial conditions and results of operations. We cannot assure you that such events will not occur in the future or that our business, financial condition and results of operations will not be adversely affected.

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

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

- The GoI has proposed a comprehensive national goods and services tax (“GST”) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.
- Further, the General Anti Avoidance Rules (“GAAR”) are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us. We have not determined the impact of these proposed legislations on our business. 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. Further, the GoI may introduce a waiver or incentive scheme in



relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to offer our products and services at discounted rates. This may affect our business and results of operations.

Prominent Notes:

1. This is an Issue of [●] Equity Shares at a premium of Rs.[●]/- per Equity Share for an amount aggregating upto Rs. 2,000 lacs on a rights basis to the existing Equity Shareholders of our Company in the ratio of [●] Equity Share for every [●] Equity Share(s) held on the Record Date (i.e., [●]) by the existing Equity Shareholders.
2. The net worth of our Company as on March 31, 2016 was Rs. 1,725 Lacs.
3. The net asset value per share of our Company as on March 31, 2016 was Rs. 12.73.
4. Our Company, in the course of business has entered into transactions with related parties. The details of related party transactions are as under:

(Rs. in Lacs)

Sr. No.	Nature of Transaction	Total
1	Unsecured Loans	
	Taken During the year	Nil
	Repaid During the year	10,00,000
	Balance as at Balance Sheet Date	Nil
2	Expenditure	
	Donation Expense	36,00,000
	Purchase of Goods, Packing Material & Stores	10,03,77,759
	Job work Charges	Nil
	Interest Expenditure	334,812
	Purchase of Fixed Asset	18,15,029
	Rent Expense	150,000
3	Income Received	
	Job work Income	1,18,09,086
4	Stock in trade	
	Sale of Goods	61,48,133
	Sale of Capital Assets	12,67,264
	Balance as at Balance Sheet Date	Nil
5	Remuneration Paid	33,84,621

5. There has been no financing arrangement whereby the Promoter Group, the Directors of our Company who are our Promoters and 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 business of the financing entity during the period of six months immediately preceding the date of filing of the Draft Letter of Offer with SEBI.
6. All information shall be made available by the Lead Manager and our Company to the public and investors at large and no selective or additional information would be available only to a section of investors in any manner whatsoever.
7. The Lead Manager and our Company shall update this Draft Letter of Offer and keep our shareholders / public informed of any material changes till listing and trading permission in respect of the Equity Shares is received.

Investors may contact the Lead Manager for any complaint, clarifications and information pertaining to the Issue. Any clarification or information relating to this Issue shall be made available by the Lead Manager to the public and investors at large and no selective or additional information would be made available only to a section of the investors in any manner. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the applicants, application number, number of Equity Shares applied for, application amounts blocked, ASBA Account number and the Designated Branch of the SCSBs where the Application Form has been submitted by the ASBA Investor. For contact details please see “General Information” on page 29 of DLOO.



SECTION III – INTRODUCTION

SUMMARY OF THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, more detailed information in the section titled “*Terms of the Issue*” on page 116 of this Draft Letter of Offer.

Equity shares offered through the Issue	[●] Equity Shares
Rights Entitlement	[●] Equity Share for every [●] Equity Share held on the Record Date.
Record Date	[●]
Face Value per Equity Shares	Rs.10/-
Issue Price per Equity Share	Rs. [●]
Issue Size	Upto Rs. 2,000 Lacs
Equity Shares outstanding prior to the Issue	13,550,000 Equity Shares
Equity Shares outstanding after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Terms of the Issue	Please refer to the section titled “ <i>Terms of the Issue</i> ” on page 116 of this Draft Letter of Offer.
Use of Issue Proceeds	Please refer to the section titled “ <i>Object of the Issue</i> ” on page 37 of this Draft Letter of Offer.
Scrip Code	ISIN: INE672K01025 BSE: 533407 NSE: CNOVAPETRO

Terms of Payment

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



SUMMARY OF FINANCIAL INFORMATION

The following tables set forth our summary financial information derived from our audited financial statements as at and for Fiscal 2016 and Fiscal 2015 prepared in accordance with Indian GAAP, the Companies Act, 2013, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards and other applicable statutory and / or regulatory requirements. This chapter should be read in conjunction with, and is qualified in its entirety by, the more detailed information about us and our financial statements, including the notes thereto, included in the section titled “Financial Statements” on page 55 of the DLOO. Special attention is also drawn to chapter titled “Risk Factors” on page 10 of the DLOO, which discusses a number of factors and contingencies that could impact our financial condition and results of operations.

For the financial year ended March 31, 2016 based on the standalone audited financial statements:

BALANCE SHEET AS AT MARCH 31, 2016

(Amount in Rs.)

I. Equity And Liabilities	Note No.	As at 31.03.2016	As at 31.03.2015
Shareholder's Funds			
Share Capital	2	135,500,000	185,500,000
Reserves and Surplus	3	447,893,412	393,130,916
Non- Current Liabilities			
Long-Term Borrowings	5	204,959,672	297,334,436
Long-Term Provisions	6	Nil	30,133
Other Long Term Liabilities	9	120,000,000	Nil
Current Liabilities			
Short-term borrowing	7	165,441,755	188,319,785
Trade Payables	8	231,861,432	187,760,771
Other Current Liabilities	9	200,438,415	320,978,472
Short-Term Provisions	6	9,010,226	8,793,767
Total		1,515,104,912	1,581,848,280
II. Assets			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		901,226,921	935,149,594
Intangible Assets		Nil	Nil
Capital Work in Progress		48,160,593	48,160,593
Non-Current Investments	11	2,218	12,218
Long Term Loans and Advances	12	12,597,849	17,165,296
Other Non-Current Assets	13	Nil	4,608,759
Current Assets			
Inventories	14	165,535,268	107,305,048
Trade Receivables	15	356,623,135	211,140,852
Cash and bank balances	16	12,228,039	21,277,075
Short-Term Loans and Advances	12	18,730,889	237,028,844
Total		1,515,104,912	1,581,848,280



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(Amount in Rs.)

Particulars	Note	As at 31.03.2016	As at 31.03.2015
Revenue from operations	17	2,254,346,737	2,689,385,843
Less Excise Duty		236,134,628	259,247,820
Other income	18	3,805,890	5,040,133
I. Total Revenue		202,2017,999	2,435,178,155
Expenses/ Expenditure			
Cost of Materials Consumed	19	1,326,981,269	1,616,903,989
Purchase of Stock in Trade	20	82,273,802	268,398,249
Changes in Inventories of Finished Goods & Work in Process	21	28,519,870	(18,962,593)
Employee benefit expenses	22	65,496,485	57,967,433
Finance costs	23	37,643,850	58,216,038
Depreciation and amortization expenses	24	58,876,160	66,201,661
Other expenses	25	343,144,908	335,630,354
II. Total Expenses		1,942,936,345	2,384,355,132
III. Profit before tax (I-II)		79,081,654	50,823,024
IV. Tax expense			
Current tax expense			
- for current year		16,123,800	10,655,047
Deferred tax	4	Nil	Nil
- Short Provision of Income Tax of Earlier Years		8,195,358	Nil
V. Profit for the year		54,762,496	40,167,977
VI. Earning per equity share			
Basic and diluted	29	4.04	2.96

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2016

(Amount in Rs.)

	Particulars		31-03-2016	31-03-2015
A	Cash flow from Operating Activity			
	Profit Before Tax from Continuing Operation		79,081,654	50,823,024
			79,081,654	50,823,024
	Non Cash Adjustment to reconcile profit before tax to net cash flows			
	Depreciation	58,876,160		66,201,661
	Bad Debts Written Off/ Sundry Balance Written off	(63,015)		(153,351)
	(Profit)/Loss on sale of fixed assets (net)	(246,578)		1,437,147
	Interest Received	(3,736,355)		(4,392,635)
	Provision for Doubtful debt	Nil		Nil
			54,830,212	63,092,822
	Dividend Income	Nil		Nil
	Interest and Finance Charges	37,643,850		58,216,038
			37,643,850	58,216,038
	Adjustment for Movements in Working Capital:			
	Increase/(decrease) in trade Payable	44,163,681		(146,731,031)



	Particulars		31-03-2016	31-03-2015
	Increase/(decrease) in long-term Provision	(30,133)		30,133
	Increase/(decrease) in short-term Provision	568,663		11,481,004
	Increase/(decrease) in other current liability	(15,313,237)		(2,164,260)
	Increase/(decrease) in other long-term liability	120,000,000		Nil
	Decrease/(increase) in trade receivable	(145,482,286)		347,063,672
	Decrease/(increase) in inventories	(58,230,220)		(6,844,360)
	Decrease/(increase) in long term loans and advances	150,000		3,183,161
	Decrease/(increase) in short term loans and advances	217,930,035		(110,974,556)
	Decrease/(increase) in other current assets	Nil		Nil
	Decrease/(increase) in other non-current assets	Nil		Nil
			163,756,503	95,043,763
	CASH GENERATED FROM OPERATIONS		335,312,220	267,175,647
	Direct Taxes paid	(17,492,097)		(17,179,089)
			(17,492,097)	(17,179,089)
	NET CASH FLOW FROM OPERATIONS		317,820,123	249,996,558
B	Cash flow from investing activities			
	Purchase of Fixed Assets (Incl. WIP)	(48,391,731)		72,931,101
	Sale of Fixed Assets	1,102,085		800,000
	Investment/(Withdrawal) in Fixed deposit	Nil		(3,860,838)
	Proceeds from sale / disposed of investments	10,000		Nil
	Investment received back from Fixed deposit	7,509,725		Nil
	Interest Received	4,104,275		4,100,045
	Dividend Income	Nil		Nil
	NET CASH (USED)/FROM IN INVESTING ACTIVITY		(35,665,646)	73,970,308
C	Cash flow from financing activities			
	Long Term Borrowing Taken during the year	Nil		Nil
	Long Term Borrowing Paid during the year	(177,780,667)		(222,893,171)
	Short Term Borrowing Taken During the year	Nil		Nil
	Short Term Borrowing Paid During the year	(22,878,029)		(45,320,571)
	Share Application Money paid back	Nil		Nil
	Interest paid	(37,643,850)		(58,216,038)
	Repayment of Preference Share Capital	(50,000,000)		Nil
	Dividend paid on Equity Shares (Incl. Dividend Tax)	Nil		Nil
	NET CASH USED IN FINANCING ACTIVITY		(288,302,546)	(326,429,780)
	Net Increase/(Decrease) in cash and cash equivalents		(6,148,070)	(2,462,914)
	Cash and cash equivalent Opening Balance		7,667,524	10,130,438
	Cash and cash equivalent Closing Balance		1,519,453	7,667,524
	Net Increase/(Decrease) in cash and cash equivalents		(6,148,070)	(2,462,914)



Notes:

- ❖ The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3.
- ❖ Cash and Cash equivalent includes Rs NIL (P.Y. Rs.Nil/-) towards Unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.

**As per our report of even date attached herewith
For, J.T. Shah & Company
Chartered Accountants
[FRN No. 109616W]**

For CIL NOVA PETROCHEMICALS LTD

Director

Director

**[J. T. Shah]
Partner
[M. No. 3983]
Place : Ahmedabad
Date: 23/05/2016**

Company Secretary

CFO



GENERAL INFORMATION

Dear Equity Shareholder(s),

Pursuant to the resolution passed by our Board at its meeting held on May 23, 2016, our Company has been authorised to make the following Rights Issue to the Eligible Equity Shareholders of our Company with an option to renounce the Right.

Issue of [●] Equity Shares of Face Value of Rs. 10/- ("right issue equity shares") for cash at Issue Price of Rs. [●] per Equity Share including share premium of Rs. [●] per Equity Share for an amount aggregating up to Rs. 2,000 Lacs on a rights basis to the existing Equity Shareholders of our Company, in the ratio of [●] Equity Share for every [●] Equity Share held as on the Record Date i.e. [●]. The Issue Price of each Equity Share is [●] times of the face value of the Equity Share.

For further details please refer to **"Terms of the Issue"** on page 116 of this Draft Letter of Offer.

REGISTERED OFFICE OF OUR COMPANY

CIL Nova Petrochemicals Limited

Survey No. 396 (P), 395/4 (P), Moraiya Village,
Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad,
Gujarat: 382210.

Tel No: +919825800060/ +919825104042

Fax No: +91 79 250556/251612

E-mail: chintan.amlani@chiripalgroup.com

Website: www.cnpcil.com

ADDRESS OF THE REGISTRAR OF COMPANIES

Registrar of Companies, Gujarat (Ahmedabad)

ROC Bhavan, Opp Rupal Park Society,

Behind Ankur Bus Stop,

Naranpura, Ahmedabad-380013

Tel No: 91-79-27437597

Fax No 91-79-27438371

E-mail: roc.ahmedabad@mca.gov.in

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Chintan N. Amlani

Survey No. 396 (P), 395/4 (P), Moraiya Village,
Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad,
Gujarat: 382210.

Tel No: +919825800060/ +919825104042

Fax No: +91 79 250556/251612

E-mail: chintan.amlani@chiripalgroup.com

Investors may contact the Compliance Officer or Registrar to the Issue for any pre-Issue / post-Issue related matter such as non-receipt of letters of allotment/ share certificates/ refund orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs where the CAF, or the plain paper application, as the case may be, was submitted by the ASBA Investors.

LEAD MANAGER TO THE ISSUE

HEM SECURITIES LIMITED

14/15, Khatau Bldg, 1st Floor,

40 Bank Street, Fort, Mumbai: 400001

Tel: +91-22-4906 0000

Fax: +91- 022-22625991

E-mail: info@hemonline.com

Website: www.hemonline.com



Contact Person: Mr. Anil Bhargava

LEGAL ADVISORS TO THE ISSUE

JURIS MATRIX

(Advocates & Solicitors)

302, Apeejay House,

130, Bombay Samachar Marg,

Fort, Mumbai- 400 001, Maharashtra, India

Tel No.: +91-22-22856164

Fax No.: +91-22-2283 4519

Email: anil @jurismatrix.net

Website: www.jurismatrix.net

Contact Person: Mr. Anil Shah

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LTD

Pannalal Silk Mills Compound, L.B.S. Marg,

Bhandup (West), Mumbai-400 078

Tel: +91 22 6171 5400

Fax: +91 22 2596 0329

Mobile App: blink

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

Investor Grievance E- mail: cnpl.rights@linkintime.co.in

Contact Person: Mr. Dinesh Yadav

SEBI Registration Number: INR000004058

STATUTORY AUDITORS OF OUR COMPANY

J.T.SHAH &CO.

Chartered Accountant

201/202, Lalita Complex, Nr. Mithakhali Cross Roads,

Navranpura, Ahmedabad- 380009

Tel: +91 079-26444420/30

Email: info@jtshahco.com

Firm Registration No. 109616W

Contact Person: Mr. J. T. Shah

BANKERS OF OUR COMPANY

BANK OF BARODA

Corporate Finance Service Branch

BOB Tower, Law Garden,

Ahmedabad

Tel: 079 2647 3010

Email: corahm@bankofbaroda.com

Contact Person: Mr. Jignesh Parmar

STATE BANK OF INDIA

SME Branch, Law Garden

Ahmedabad

Tel: 91-79 -26420277

Email: sbi.60438@sbi.co.in

Contact Person: Mr. Ghanshyam Solanki/Mr. Abhishek

BANKERS TO THE ISSUE

[•]



Experts

Our Company has received consent letter dated June 17, 2016 from the Statutory Auditor M/s. J.T.Shah & Co, Chartered Accountants to include their names as an “expert” under Section 2(38) read with Section 26 of the Companies Act, 2013 in this Draft Letter of Offer in relation to their report on the audited financial statements for the financial year ended March 31, 2016 of our Company provided under section “*Financial Statements*” on page 55 and the Statement of Tax Benefit dated June 17, 2016 provided under section “*Statement of Tax Benefits*” on page 41. Further, this consent has not been withdrawn as of the date of this Draft Letter of Offer.

SELF CERTIFIED SYNDICATE BANKERS

All equity shareholders may apply in this Issue through the ASBA process. The ASBA Investors are required to fill the ASBA Form and submit the same to their Self Certified Syndicate Banks (“SCSB”) which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure. The list of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on SEBI’s website http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. Details relating to designated branches of SCSBs collecting the ASBA forms are available at the above mentioned link. On allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Equity Shares allotted.

For more details on the ASBA process, please refer to the details given in ASBA form and also please refer to the chapter titled “*Terms of the Issue*” on page 116 of this Draft Letter of Offer.

Credit Rating

This being an Issue of equity shares, no credit rating is required.

Statement of inter-se allocation of Responsibilities for the Issue

Hem Securities Limited is the sole Lead Manager to this Issue, however the list of major responsibilities of Hem Securities Limited inter alia, is as follows:-

Sr. No	Activity
1.	Capital structuring with the relative components and formalities, type of instruments of the Issue in conformity with the SEBI Regulations.
2.	Drafting and design of the Letter of Offer and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the Letter of Offer. To ensure compliance with SEBI Regulations and other stipulated requirements and completion of prescribed formalities with Stock Exchange and SEBI.
3.	Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, etc.
4.	Assisting in securing all necessary regulatory approvals for the Issue and assisting in filing of the Issue related documents with SEBI, Stock Exchanges or any other regulatory authorities.
5.	Liaising with the Stock Exchanges and SEBI, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchanges and SEBI.
6.	Marketing of the issue, which shall cover, inter alia, formulating marketing strategies, preparation of publicity budget, arrangements for selection of (i) ad-media, (ii) bankers to the issue, (iii) collection centres, (v) brokers to the issue, and (vi) underwriters and underwriting arrangement, (iv) distribution of publicity and issue material including application form, letter of offer and the Abridged Letter of Offer and the Letter of Offer to the extent applicable.
7.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, 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-issue activity such as registrars to the issue, bankers to the issue, Self- Certified Syndicate Banks, etc.



Trustees

This being an issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

Our Company is not required to appoint a monitoring agency pursuant to Regulation 16 of the SEBI (ICDR) Regulations. Our Board will monitor the use of the proceeds of this Issue as per clause 32(2) of the new (Listing Obligation and Disclosure Requirement) Regulations, 2015.

Underwriting

Our Company has not entered into any underwriting / standby agreement.

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been financially appraised by any bank or financial institution.

Minimum Subscription

If we do not receive the minimum subscription of 90% in this Issue or if our Board fails to dispose off the unsubscribed Equity Shares in the manner as permitted under Section 62(1)(a)(i), subject to receipt of requisite regulatory approvals, if any, after the Issue Closing Date or the subscription level falls below 90% after the Issue Closing Date on the account of cheques being returned unpaid or withdrawal of applications, we shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If the subscription amount is not refunded within 15 days from the Issue Closing date, we shall be liable to pay interest for the period of delay, after such aforesaid 15 days, in accordance with the provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations.

Issue Schedule

Issue Opening Date	[●]
Last Date for receiving requests for split forms	[●]
Issue Closing Date	[●]

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

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 read with Section 447 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

Principal terms of Loans (Credit Facility) and Assets charged at Security

For details in connection with the principal terms of loans and assets charged as security, please see the section titled “*Financial Indebtedness*” on page 94 of the Draft Letter of Offer.



CAPITAL STRUCTURE

The Capital structure of our Company and related information as on the date the Draft Letter of Offer is as set forth below:

(Amount in Rs.)

Particulars	Aggregate Value Nominal	Aggregate Value at Issue
AUTHORISED CAPITAL		
2,75,00,000 Equity Shares of Face Value of Rs.10/- each	27,50,00,000	--
5,00,000 Preference Share of Face Value of Rs. 100/- each	5,00,00,000	
ISSUED, SUBSCRIBED AND FULLY PAID UP CAPITAL BEFORE THE ISSUE		
1, 35,50,000 Equity Shares of Face Value of Rs.. 10/- each	13,55,00,000	--
PRESENT ISSUE BEING OFFERED TO THE ELIGIBLE EQUITY SHAREHOLDERS THROUGH THE LETTER OF OFFER*		
[●] Equity Shares at an Issue Price of Rs. [●] per Equity Share, including premium of Rs. [●] per Equity Share.	[●]	-
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE		
[●] Equity Shares of Face Value of Rs. 10/- each	[●]	--
SECURITIES PREMIUM ACCOUNT		
Existing securities premium account	11,89,70,013	
Securities premium account after the Issue*	[●]	

Notes:

This Issue is being made pursuant to a resolution passed by the Board of our Company at its meeting held on 23rd May, 2016.

** Assuming full subscription and Allotment of the Rights Issue Equity Shares in this Issue.*

Notes to the Capital Structure:

a) Intention and extent of participation by our Promoters in the Issue:

Our Promoters have, vide undertaking dated June 21, 2016 confirmed their intention to subscribe collectively to the full extent of their Rights Entitlement in this Issue. Our Promoters have further undertaken that subject to compliance with applicable laws including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, they reserve the right to subscribe for additional Equity Shares of our Company. Further, in the event of under-subscription in the Issue, subject to obtaining any approvals required under applicable law, our Promoters shall apply for Equity Shares, in addition to their Rights Entitlement in the Issue, to the extent of such undersubscribed portion of the Issue so as to ensure that at least 90% of the Issue is subscribed. As a result of this subscription and consequent allotment, our Promoters, may acquire Equity Shares over and above their Rights Entitlement, which may result in an increase of their shareholding above the current shareholding together with their Rights Entitlement. This subscription and acquisition of additional Equity Shares by our Promoters, if any, will not result in change of control of the management of our Company and shall be exempt in terms of Regulation 10(4)(b) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Further, our Promoters also acknowledge and undertake that its entitlement to subscribe the unsubscribed portion over and above their Rights Entitlement would be restricted, to ensure that the public shareholding in our Company after the Issue, does not fall below the permissible minimum level as specified in the listing conditions or Regulation 38 of the (LODR) Regulations, 2015.

b) Details of outstanding instruments:

Our Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of the Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.



c) Shareholding Pattern of our Company as per the last filings with the Stock Exchanges.

i) The Equity Shareholding Pattern as on March 31, 2016 is as follows:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No.(a)	As a % of total Shares held(b)	
(A) Promoter & Promoter Group	24	93,56,068	93,56,068	69.05	40,82,450	43.63	93,56,068
(B) Public	6,069	41,93,932	41,93,932	30.95	0.00	0.00	37,18,728
(C1) Shares underlying DRs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C2) Shares held by Employee Trust	0.00	0.00	0.00	0.00	0.00	0.00	0.00
(C) Non Promoter-Non Public	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total	6,093	1,35,50,000	1,35,50,000	100.00	40,82,450	30.13	1,30,74,796

ii) The details of our Promoter and the Promoter Group's shareholding in our Company as of March 31, 2016 are as follows:

Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held(b)	
A1) Indian							
Individuals/Hindu undivided Family	17	31,07,229	31,07,229	22.93	0.00	0.00	31,07,229
Nishi J. Agarwal		100	100	0.00	0.00	0.00	100
Vedprakash D. Chiripal (HUF)		200	200	0.00	0.00	0.00	200
Vansh J. Chiripal		200	200	0.00	0.00	0.00	200
Ruchi B. Agarwal		200	200	0.00	0.00	0.00	200
Ronak B. Chiripal		200	200	0.00	0.00	0.00	200
Pritidevi B. Chiripal		200	200	0.00	0.00	0.00	200
Vishal V. Chiripal		5,00,200	5,00,200	3.69	0.00	0.00	5,00,200
Savitridevi V Chiripal		5,00,200	5,00,200	3.69	0.00	0.00	5,00,200
Manjudevi J. Agarwal		5,00,200	5,00,200	3.69	0.00	0.00	5,00,200
Brijmohan D Chiripal		6,14,560	6,14,560	4.54	0.00	0.00	6,14,560
Vedprakash D Chiripal		7,27,469	7,27,469	5.37	0.00	0.00	7,27,469
Deepak J. Agarwal		200	200	0.00	0.00	0.00	200
Brijmohan D Chiripal (HUF)		200	200	0.00	0.00	0.00	200
Aayushi Jaiprakash Agarwal		200	200	0.00	0.00	0.00	200
Jyotiprasad D. Agarwal		6,250	6,250	0.05	0.00	0.00	6,250
Jayprakash D. Agarwal		6,450	6,450	0.05	0.00	0.00	6,450
Urmila devi Jyotiprasad Agarwal		2,50,200	2,50,200	1.85	0.00	0.00	2,50,200
Any Other (specify)	7	62,48,839	62,48,839	46.12	40,82,450	65.33	62,48,839



Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	Total no. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
					No. (a)	As a % of total Shares held(b)	
Shanti Educational Initiatives Limited	1	47,850	47,850	0.35	17,450	36.47	47,850
Priti Processors Pvt. Ltd.	1	10,000	10,000	0.07	0.00	0.00	10,000
Nandan Denim Limited	1	64,000	64,000	0.47	0.00	0.00	64,000
Shanti Exports Private Limited	1	2,24,808	2,24,808	1.66	0.00	0.00	2,24,808
Chiripal Industries Limited	1	15,04,000	15,04,000	11.10	0.00	0.00	15,04,000
Devkinandan Corporation LLP	1	16,48,181	16,48,181	12.16	13,65,000	82.82	16,48,181
Chiripal Exim LLP	1	27,50,000	27,50,000	20.30	27,00,000	98.18	27,50,000
Sub Total A1	24	93,56,068	93,56,068	69.05	40,82,450	43.63	93,56,068
A2) Foreign							
A=A1+A2	24	93,56,068	93,56,068	69.05	40,82,450	43.63	93,56,068

iii) Statement showing shareholding pattern of the Public Shareholder as on March 31, 2016 are as follows:

Category & Name of the Shareholders	No. of shareholder	No. of fully paid up equity shares held	Total no. shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of equity shares held in dematerialized form(Not Applicable)
B1) INSTITUTIONS	0	0		0.00	
FINANCIAL INSTITUTIONS/ BANKS	1	300	300	0.00	300
SUB TOTAL B1	1	300	300	0.00	300
B2) CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)/ PRESIDENT OF INDIA	0	0		0.00	
B3) NON-INSTITUTIONS	0	0		0.00	
INDIVIDUAL SHARE CAPITAL UPTO Rs. 2 LACS	5,620	9,75,658	9,75,658	7.20	6,99,647
INDIVIDUAL SHARE CAPITAL IN EXCESS of Rs. 2 LACS	5	1,11,711	1,11,711	0.82	1,11,711
ANY OTHER (SPECIFY)	443	31,06,263	31,06,263	22.92	29,07,070
Anjani Vinimay Pvt Ltd	0	2,15,000	2,15,000	1.59	2,15,000
Ankush Synthetics Limited	0	2,06,554	2,06,554	1.52	2,06,554
Rameswar Retailers Pvt Ltd	0	3,11,089	3,11,089	2.30	3,11,089
Gupta Synthetics Limited	0	3,50,500	3,50,500	2.59	3,50,500
Gupta Silk Mills Pvt Ltd	0	6,63,700	6,63,700	4.90	6,63,700
BODIES CORPORATE	111	2,41,599	24,11,599	17.80	24,09,706
CLEARING MEMBERS	24	6,982	6,982	0.05	6,982
OVERSEAS CORPORATE BODIES	1	2,500	2,500	0.02	2,500
MANUJ CHIRIPAL	0	3,05,208	3,05,208	2.25	3,05,208
FOREIGN INDIVIDUALS OR NRI	231	6,11,575	6,11,575	4.51	4,14,275
FOREIGN INDIVIDUALS OR NRI	13	10,782	10,782	0.08	10,782
HUF	61	61,575	61,575	0.45	61,575
Trusts	2	1,250	1,250	0.01	1,250
SUB TOTAL B3	6,068	41,93,632	41,93,632	30.95	37,18,428
B=B1+B2+B3	6,069	41,93,932	41,93,932	30.95	37,18,728



- d) None of our Promoters/Promoter Group have acquired any Equity Shares in the last one year immediately preceding the date of the Draft Letter of Offer other than Devkinandan LLP which acquired 1,35,000 Equity Shares.
- e) The Equity Shares of our Company are fully paid- up and there are no partly paid- up Equity Shares as on the date of this Draft Letter of Offer.
- f) The details of shareholding of persons belonging to the category public and holding more than 1 (one) percent of the total number of shares of our Company are as follows:

Name of the Shareholders	Total no. shares held	Shareholding (%)
Anjani Vinimay Pvt Ltd	2,15,000	1.59
Ankush Synthetics Limited	2,06,554	1.52
Rameswar Retailers Pvt Ltd	3,11,089	2.30
Gupta Synthetics Limited	3,50,500	2.59
Gupta Silk Mills Pvt Ltd	6,63,700	4.90
Manuj Chiripal	3,05,208	2.25

- g) As on the date of the Draft Letter of Offer, the Lead Manager to the Issue does not hold any Equity Shares of the Company.
- h) Our Company has not introduced any Employees Stock Option Schemes/ Employees Stock Purchase Schemes.
- i) The ex-rights price of the Equity Shares as per Regulation 10(4) (b) of the Takeover Regulations is Rs. [●]/-per Equity Share.
- j) The present Issue being a rights issue, as per Regulation 34(c) of the SEBI (ICDR) Regulations, the requirements of promoters' contribution are not applicable. Further, none of the equity shares held by promoter and promoter group are subject to lock-in.



OBJECTS OF THE ISSUE

The Objects of the Issue are to finance working capital requirement of our Company and in connection with our Company's current business activities and matters related thereto.

We intend to utilize the Issue Proceeds for the following objects:

1. Working Capital Requirement
2. General Corporate Purpose
3. To Meet the Issue Expenses

(Collectively referred as the "Objects")

The main objects of our Memorandum of Association and the objects incidental or ancillary to the main objects enable our Company to undertake its existing activities. The purpose for which the funds are being raised through the Issue fall within the main objects of our Memorandum of Association.

The fund requirements and deployment described herein are based on internal management estimates and have not been appraised by any bank, financial institution or any other external agency. These are based on current circumstances of our business.

The net proceeds from the issue and allotment of the Equity Shares in the Issue from Shareholders and other eligible applicants, after deducting the Issue expenses, will be utilized by our Company for meeting its working capital requirement.

The details of the Proceeds of the Issue and Issue Expenses are summarized below:

Proceeds of the Issue:

The gross proceeds of the Issue are Rs. [●] Lacs. The net proceeds of the Issue, after deduction of Issue expenses, are estimated to be approximately Rs. [●] Lacs, which are summarised in the table below:

Particulars	Amount (Rs. in Lacs)
Gross Proceeds to be raised through the Issue ("Issue Proceeds")*	[●]
Less: Issue Expenses	[●]
Net proceeds of the Issue ("Net Proceeds")	[●]

**considering full subscription and allotment in the issue*

Our funding requirement is depending on number of factors which may not be in the control of our management, changes in our financial condition and current commercial condition. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount (Rs. in Lacs)
1.	Working Capital Requirement	1900
2.	General Corporate Purpose	[●]
3.	To Meet the Issue Expenses	[●]
	Total	[●]

Means of Finance:

The above-mentioned fund requirement will be met from the proceeds of the Issue. We intend to fund the shortfall, if any, from internal accruals and/ or debt. Set forth below are the means of finance for the above-mentioned fund requirement:

Particulars	Amount (Rs. in Lacs)
Net Issue Proceeds	[●]

Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Issue.



In case of a shortfall in the Net Proceeds, we may explore options including seeking debt from existing and/or other lenders. In case of any surplus in net proceeds, the company shall use the same for general corporate purposes, such as brand building exercises, strengthening of our marketing capabilities, or any other purposes as approved by our Board.

The working capital requirements are internal management estimates based on additional working capital required over a period of time, in consonance with past trends. The estimates are based on the current status of the business of our Company and are subject to change in light of variations in external circumstances or costs, or in the financial condition of our Company, its business or its strategy. The management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently its funding requirements and deployment of funds may also change.

Funds Requirements and Utilization

The Issue Proceeds are estimated to be approximately Rs [●] Lacs. The details in relation to Objects of the Issue are set forth herein below.

1. To Meet Working Capital Requirement

Our business is working capital intensive. We finance our working capital requirement from various banks / financial institutions and from our internal accruals. As on March 31, 2016, the working capital funding from bank is of Rs 1,300.00 Lacs on fund based and Rs. 1,565.00 Lacs on non fund based.

Considering the existing and future growth, the total working capital needs of our Company, as assessed based on the internal workings of our Company is expected to reach Rs 6,049.00 Lacs for FY 2016-17. We intend to meet our working capital requirements to the extent of Rs. 1900 Lacs from the Net Proceeds of this Issue and the balance will be met from internal accruals and borrowings at an appropriate time as per the requirement.

Our Company's existing and estimated working capital requirements and funding on a standalone basis is as follows:

(Rs. in Lacs Except No. of Days)							
S. No	Particulars	31-3-2015 (Audited)		31-3-2016 (Audited)		31-3-2017 (Estimated)	
		Amount	Days	Amount	Days	Amount	Days
I	<u>Current Assets</u>						
	<u>Inventory</u>						
	Raw Material (Including Spares)	322.91	6	1,157.89	29	1900.00	31
	Stock in progress	229.32	4	147.82	3	250.00	4
	Finished Goods	480.47	8	276.77	5	400.00	6
	Raw Material in transit	40.35		72.87		100.00	
		1,073.05		1,655.35		2,650.00	
	Trade Receivable	2,111.41	32	3,566.23	65	5,500.00	72
	Cash & Bank Balances	212.77		122.28		168.00	
	Short term Loan & Advances	2,370.29		187.31		200.00	
	Total (A)	5,767.52		5,531.17		8,518.00	
II	<u>Current Liabilities</u>						
	Trade Payables	1,877.61	37	2,318.16	62	2,000.00	35
	Other Current Liabilities	3,209.78		2,004.38		349.00	
	Short Term Provisions	87.94		90.10		120.00	
	Total (B)	5,175.33		4,412.64		2,469.00	
III	Net Working Capital (A-B)	592.19		1,118.53		6,049.00	
IV	<u>Funding Pattern</u>						
	Bank Borrowings					3,210.00	
	Internal Accruals & Unsecured Loans					939.00	
	Rights Issue Proceeds					1,900.00	

**Justification:**

Inventories	We believe in maintaining the strong inventory level that gives a competitive edge, as the Company is able to supply its products within efficient time line. Considering our production cycle and required level of inventory we are assuming that Inventory holding period would be in similar lines to that of FY 2015-2016. The Inventory holding days is being estimated to be at 31 days for FY 2016-17.
Debtors	Our Company provides credit to its customers based on trade relations and vintage of their association with the Company. The Company strives to continue having disciplined debtor management and strong management control policies in place, but considering market condition and to achieve targeted top line extra support in terms of extended credit is being estimated. Thus, in view of the same the receivables period for FY 2016-2017 is estimated at 72 days as compared to 65 days in F.Y. 2015-2016.
Creditors	The Company plans to avail optimal level of credit from its suppliers. Further to ensure on time supply of materials and services at competitive price. We had estimated average credit period for FY 2016-2017 will be at 35 days as compared to 62 days in F.Y. 2015-2016

2. General Corporate Purposes

We intend to deploy Rs. [●] Lacs towards general corporate purposes, including but not restricted to strengthening our marketing capabilities, enhancing our infrastructure facilities or any other purposes as approved by our Board of Directors.

Deployment of Funds

The Net Issue Proceeds will be utilised towards meeting the Working Capital Requirement and General Corporate purpose in Fiscal 2017. An amount of Rs. 1.90 Lacs has been deployed towards Issue Expenses as on June 17, 2016. The same has been certified by our statutory auditor, J.T.Shah, partner of J.T. Shah & Co., Chartered Accountant vide certificate dated June 17, 2016.

General Corporate Purposes

Our Board, will have flexibility in applying the balance amount towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds of the Issue, including, strategic initiatives, meeting expenses incurred in the ordinary course of business including salaries and wages, rent, administration expenses, insurance related expenses, repairs and maintenance, the payment of taxes and duties; meeting of exigencies which our Company may face in course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act.

Our Company's management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time, and consequently, our funding requirement and deployment of funds may also change. In accordance with the policies of our Board, our management will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

Estimated Issue related expenses

The estimated Issue related Expenses are as follows:

Sr. No.	Activity Expense	Amount (in Rs. Lacs) *	Percentage of Total estimated Issue expenditure*	Percentage of Issue Size*
1.	Fees of Lead Manager, Legal Advisor, Registrar to the Issue and out of pocket expenses	[●]	[●]	[●]
2.	Expenses relating to advertising, printing, distribution, marketing and stationery expenses	[●]	[●]	[●]
3.	Others (including but not limited to Stock Exchange fees, depository fees and SEBI filing fees and other miscellaneous expenses)	[●]	[●]	[●]
	Total estimated Issue expenses	[●]	[●]	[●]

*Will be updated in the Letter of Offer

**Interim Use of Funds**

The management of our Company, in accordance with the policies formulated by it from time to time, will have flexibility in deploying the proceeds received from the Issue. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds in interest-bearing deposits with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934, investment grade interest bearing liquid instruments, mutual funds or other instruments as may be approved by the Board. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Appraisal

The Objects of the Issue have not been appraised by any bank or financial institution or other agencies and is based on the management estimates.

Bridge Loan

Our Company has not entered into any bridge loan facility that will be repaid from the Net Proceeds.

Interest of Directors or Key Management Personnel in the Objects of the Issue

No part of the proceeds of the Issue will be paid by our Company as consideration to our Directors or key management personnel.

Monitoring of utilization of funds

A monitoring agency will not be appointed to monitor the utilisation of proceeds in relation to this Issue since the gross proceeds of the Issue are expected to be less than Rs. 50,000 Lacs. Our Board of Directors will monitor the utilisation of the Net Proceeds of the Issue and our Company shall comply with the Listing Agreements, as amended, from time to time.

Our Company will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised. Our Company will indicate investments, if any, of un-utilised proceeds of the Issue in the balance sheet of the Company for the relevant fiscal years subsequent to the listing of Equity Shares issued pursuant to the Issue.



STATEMENT OF TAX BENEFITS

To,
Board of Directors
CIL Nova Petrochemicals Limited
Survey No. 396(P) & 395/4(P),
Moraiya Village, Sarkhej-Bavla Highway,
Ahmedabad-382210

Dear Sirs,

We refer to the proposed right issue of the shares of **CIL Nova Petrochemicals Limited** ("the Company"). We enclose herewith the statement showing the current position of tax benefits available to the company and to its shareholders as per the provisions of the Income tax Act, 1961 for inclusion in the placement document for the proposed Right issue of shares. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information, explanations obtained from the Company. This statement is only intended to provide general information to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money based on this statement.

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

- The Company or its Shareholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been / would be met with;
- The revenue authorities/ courts will concur with the views expressed herein.

We hereby give our consent to include enclosed statement regarding the tax benefits available to the Company and to its shareholders in the placement document for the proposed right issue which the Company intends to submit to the Securities and Exchange Board of India.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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. The views are exclusively for the use of CIL Nova Petrochemicals Limited and shall not, without our prior written consent, be disclosed to any other person

This statement has been prepared solely in connection with the offering of Equity shares by the company under the Securities & Exchange Board of India ("SEBI") (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the Offering).

If this Note is to be included in any offering document prepared in connection with the offering and thereby associating our name with this Note (either as Preparer or otherwise), the same shall be subject to our prior written consent.

For, J. T. Shah & Co.
Chartered Accountants
(Firm Regd. No. 109616W)
Date: 17/06/2016
Place: Ahmedabad

(J. T. Shah)
Partner
(M.No.3983)



ANNEXURE

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO CIL NOVA PETROCHEMICALS LTD. ("COMPANY") AND TO ITS SHAREHOLDERS

I. SPECIAL SPECIFIC TAX BENEFITS OF THE COMPANY

There are no special specific tax benefits available to the Company.

II. GENERAL TAX BENEFITS TO THE COMPANY (Under the Income Tax Act, 1961)

1. In accordance with section 10(34), dividend income (referred to in section 115-O) earned by the company shall be exempt from tax.
2. In accordance with section 32(1), the Company can claim depreciation on specified tangible assets (being Building, Plant and Machinery, Furniture, Computer and Vehicles) and intangible assets (being Knowhow, Copyrights, Patents, Trademarks, Licenses, Franchise or any other business or commercial rights of similar nature) acquired on and after 1st April, 1998) owned by it and used for the purpose of its business.
3. If the Company invest in the equity shares of another Company or in the unit of an equity oriented fund, as per the provisions of Section 10(38), any income arising from the transfer of long term capital assets being an equity share in the Company or units of mutual fund shall not be included in the total income if the transaction is chargeable to securities transaction tax.

However, when the Company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits and taken into account in computing the Minimum Alternative Tax payable under section 115JB.

4. Income received in respect of the units of mutual fund specified under clause 10(23D) or income received in respect of units from administrators of the specified undertaking or income received in respect of units from the specified Company is exempted from tax in the hands of the Company, under section 10(35) of I.T. Act.
5. In accordance with section 112, the tax on capital gains or transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - 20 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed after indexation of the cost; or
 - 10 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed without indexation of the cost.
6. In accordance with Section 111A capital gains arising from the transfer of short term asset being an equity shares of the Company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be:-
 - (i) the amount of income tax calculated on such terms capital gains at the rate of 15 percent (plus applicable surcharge and —Education Cess).
7. In accordance with section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with the present issue such as underwriting commission, brokerage, and other expenses or extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses for each of the five successive previous years beginning with the previous year in which the extension of the undertaking is completed or the new unit commences production or operation, subject to conditions and limits specified in that section.
8. In accordance with section 35DDA, the company is eligible for deduction in respect of payments made to its employees in connection with their voluntary retirement for an amount equal to 1/5th of the amount so paid for that previous year, and the balance in four equal installments for each of the succeeding previous years subject to conditions specified in that section.



9. In accordance with section 35, the Company is eligible for deduction in respect of any expenditure (not being in the nature of capital expenditure) on scientific research related to the business subject to conditions specified in that section.

As per section 35(2AA) a deduction of 200% shall be allowed as a deduction of the sum paid by the Company, to a National Laboratory or a University or an Indian Institute of Technology or a specified person as specified in this section with a specific direction that the sum shall be used for scientific research undertaken under a programme approved in this behalf by the specified authority subject to condition specified in that section.

10. Under Section 71 of the IT Act, business loss suffered by the company during the year is allowed to be set off against income from any other head.

Under Section 72 of the IT Act, the company is entitled to carry forward business losses that cannot be set off against permitted sources of income in the relevant assessment year, for a period of 8 consecutive assessment years immediately succeeding the assessment year when the losses were incurred and set off such losses against income chargeable under the head "Profits and gains from business or profession" in such assessment year. However, only such losses which have been determined in pursuance of a return filed in accordance with Sec 139(1) of the IT Act shall be carried forward and set off under section 72 of the IT Act.

11. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after April 1, 2006 will be available as credit for ten years succeeding the assessment year in which MAT credit becomes allowable in accordance with the provision of section 115JAA of the ACT.
12. As per the provision of section 80G of the Act, the deduction will be available in the respect of donations to various charitable institutions and funds covered under that section, subject to fulfillment of the conditions specified therein.
13. Under section 36(1) (xv) of the Act, the Securities Transaction Tax paid by the Company in respect of the transactions, the income whereof is chargeable as Business Income will be allowable as deduction against such income.

III. SPECIAL TAX BENEFITS TO THE SHARE HOLDERS OF THE COMPANY

Nil

IV. GENERAL TAX BENEFITS TO THE SHAREHOLDERS OF THE COMPANY (Under the Income Tax Act, 1961)

A. Resident

1. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in section 115-O) on or April 1, 2003 will be exempt from tax in the hands of the shareholders. Any income by way of dividend in excess of Rs. 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm at the rate of ten percent. The taxation of dividend income in excess of ten lakh rupees shall be on gross basis.
2. In accordance with section 10(38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income if the transaction is chargeable to securities transaction tax.
3. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be the lower of:
 - a) 20 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed after indexation of the cost; or
 - b) 10 percent (plus applicable surcharge and —Education Cess) of the capital gains as computed without indexation.
4. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be the aggregate of (i) the amount of income tax calculated on such short term capital gain at the rate of 15 percent (plus application surcharge and —Education Cess) and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income.



5. In accordance with section 54EC , long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable , shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long term specified asset. The long term specified asset notified for the purpose of investment means notified bonds of Rural Electrification Corporation Ltd. (REC) and National Highway Authority of India (NHAI). Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs.50 Lacs. If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

In accordance with section 54F, long-term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable , shall be exempt from capital gains tax if the net consideration is utilized , with in a period of one year before , or two years after the date of transfer , in the purchase of a new residential house, or for construction of a residential house with in three years.

6. Under section 36(1)(xv) of the act. The securities Transaction Tax paid by the assessee in respect of the transactions, the income where of is chargeable as business Income, will be allowable as deduction against such income.

B. Non –Residents

- a. In accordance with section 10(34), dividend income declared, distributed or paid by the company (referred to in 115 – o) will be exempt from tax.
- b. In accordance with section 10 (38), any income arising from the transfer of a long term capital asset being an equity share in a company is not includible in the total income, if the transaction is chargeable to securities transaction tax.
- c. In accordance with section 48, capital gains arising out of transfer of a capital asset being in the company, and such transaction is not chargeable to securities transaction tax, shall be computed by converting the cost of acquisition, expenditure in connection with such transfer and the full value of the consideration received or accruing as a result of the transfer into the same foreign currency as was initially utilized in the purchase of the shares and the capital gains computed in such foreign currency shall be reconverted into Indian currency, such that the aforesaid manner of computation of capital gains shall be applicable in respect of capital gains accruing/arising from every reinvestment their after and sale of shares or debentures of an Indian Company including the company.
- d. In accordance with section 112, the tax on capital gains on transfer of listed shares, where the transaction is not chargeable to securities transaction tax, held as long term capital assets will be at the rate of 20% (plus applicable surcharge and Education cess).
- e. In accordance with section 111A capital gains arising from the transfer of a short term asset being an equity share in a company and such transaction is chargeable to securities transaction tax, the tax payable on the total income shall be aggregate of (i) the amount of income – tax calculated on such short term capital gains at the rate of 15 percent (plus applicable surcharge and Education cess) and (ii) the amount of income – tax payable on the balance amount of the total income as if such balance amount were the total income.
- f. In accordance with section 54EC , long term capital gains arising on transfer of the shares of the company on which securities transaction tax is not payable, shall be exempt from tax if the gains are invested within six months from the date of transfer in the purchase of a long- term specified asset. The long- term specified asset notified for the purpose of investment is notified bonds of Rural Electrification Corporation Ltd (REC) and Nation Highways Authority of India (NHAI).

Notification issued by Government of India specifies that no such bonds will be issued to a person exceeding Rs. 50 lacs.

If only a part of the capital gain is so invested, the exemption would be limited to the amount of the capital gain so invested.

- g. In accordance with section 54F, long- term capital gains arising on the transfer of the shares of the company held by an individual or Hindu Undivided Family on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is utilized, with in a period of one year before, or two year after the date of transfer, in the purchase of a new residential house, or for construction of a residential house within three years.
- h. Under section 36 (1) (xv) of the act, the amount of securities transaction tax paid by an assess in respect of taxable securities transactions offered to tax as —profits and gains of business or profession —shall be allowable as a deduction against such business income.



- i. Under the provisions of section 195 of the Income Tax act , any income (not being an income chargeable under the head Salaries'), payable to non – residents, is subject to withholding tax as per the prescribed rate in force , subject to the tax treaty. Accordingly income tax may have to be deducted at source in the case of a non resident at the rate under the domestic tax laws or under the tax treaty , whichever is beneficial to the assess unless a lower withholding tax certificate is obtained from the tax authorities .
- j. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non – resident has fiscal domicile. As per the provisions of section 90(2) of the act, the provisions of the act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

C. Non – Resident Indians

Further, a Non- Resident Indian has the option to be governed by the provisions of chapter xii-A of the Income – tax Act, According to which:

1. In accordance with section 115E, Where income includes income from investment or income from long-term capital gains or transfer of assets other than specified asset of the company, Investment Income shall be taxable at the rate of 20% (plus applicable surcharge and Education Cess) and income by way of long term capital gains in respect of assets other than a specified asset, shall be chargeable at 10% plus applicable surcharge and Education Cess)
2. In accordance with section 115F, subject to the conditions and to the extent specified therein, long – term capital gains arising from transfer of shares of the company acquired out of convertible foreign exchange, and on which securities transaction tax is not payable, shall be exempt from capital gains tax if the net consideration is invested within six months of the date of transfer in any specified asset or any saving certificates referred to in clause 4B of section 10 of income tax act, 1961, subject to the conditions specified in that section.
3. In accordance with section 115G, it is not necessary for a Non Resident Indian to file a return of income under section 139(1), if his total income consists only of investment income earned on shares of the company acquired out of convertible foreign exchange or/and income by way of long-term capital gains earned on transfer of shares of the company acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of chapter xvii – B of the Income Tax Act.
4. In accordance with section 115-I, where a Non Resident Indian opts not to be governed by the provisions of chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to other provisions of the Income Tax act.
5. As per section 115H of the Act, where a non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

D. Foreign Institutional Investors (FIIs)

1. In accordance with section 10(34) , dividend income declared ,distributed or paid by the Company (referred to in section 115-O) on or after April 1,2003 will be exempt from tax in the hands of Foreign Institutional Investor (FIIs).
2. As per section 10(38) of the Act ,long term capital gains arising from the transfer of a long term capital asset being an equity share in a Company or a unit of an equity oriented fund , where such transaction is chargeable to securities transaction tax will be exempt.
3. As per provisions of section 115AD of the Act ,income (other than income by way of dividends referred to Section 115 –O) received in respect of securities (other units referred to section 115 AB) is taxable at the rate of 20% (plus applicable surcharge and education cess).
4. As per provisions of section 115AD of the Act read with section 111 A of the Act ,short term capital gains arising from the sale of Equity shares of the company transacted through a recognized stock exchange in India ,where such transaction is chargeable to securities transaction tax, will be taxable at the rate of 15% (plus applicable surcharge and education cess).



5. As per section 115 AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the provisions of section 10(38) of the Act at the following rates :
 - (a) Long term Capital Gains 10 %
 - (b) Short term capital gains (other than referred to in section 111A) 30%*(plus applicable surcharge and education cess)
6. In case of long term capital gains (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
7. The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
8. Under section 54 EC of the Act and subject to the conditions and to the extent specified therein ,long term capital gains (other than those exempt under section 10(38) of the Act) arising on the transfer of shares of the company would be exempt from tax if such capital gains in invested within six months after the date of such transfer in the bonds (long term specified assets) issued by:
 - I. National Highway Authority of India constituted under section 3 of the National Highway Authority of India Act,1988;
 - II. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

If only part of the capital gains is on reinvested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gains. The cost of the long term specified assets, which has been considered under this section for calculating capital gains, shall not be allowed as a deduction from the income tax under section 80C of the Act.

E. Mutual Funds

In accordance with section 10(23D), any income of subject to the provisions of Chapter XII-E

- i. A mutual fund registered under the Securities and Exchange Board of India Act 1992 or regulations made there under;
- ii. Such other Mutual fund set up by a public sector bank or a public financial institutions or authorized by the Reserve Bank of India subject to such conditions as the Central government may, by notification in the Official Gazette, specify in this behalf will be exempt for income tax.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance Act, 2016 and will be available only to the sole/ first named holder in case the shares are held by joint holders.
2. In respect of non residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreements, if any, between India and the country in which the non-resident has fiscal domicile.
3. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor, with respect to specific tax consequences of his/her participation in the issue.
4. The above statement of possible direct and indirect taxes benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Equity Shares.

We hereby give our consent to include our above referred opinion regarding the tax benefits available to the Company and to its shareholders in the offer document which the Company intends to submit to the Securities and Exchange Board of India.



SECTION IV – ABOUT THE ISSUER COMPANY

HISTORY AND CORPORATE STRUCTURE

Our Company was incorporated as “*Nova Polyyarn Limited*” a public company, limited by shares under the Companies Act, 1956 vide Certificate of Incorporation dated December 17, 2003 with Registration No. 043354 in the State of Gujarat, Dadra and Nagar Haveli. The Certificate of Commencement of Business was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on April 5, 2004. The Company is the resulting company of “*Nova Petrochemicals Limited*” under the scheme of arrangement (or the scheme of demerger) approved by the High court of Gujarat as on August 27, 2009. However due to demerger, the name of our Company was changed to “*CIL Nova Petrochemicals Limited*” and fresh Certificate of Incorporation was issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on October 19, 2009. Our Corporate Identification Number is **L17111GJ2003PLC043354**.

The main activities of our Company are manufacturing of Partially Oriented Yarn (POY), Micro-Filament Yarn, Draw Twisted Yarn (DTY), Texturised Yarns and Fully Drawn Yarns (FDY).

Our Company is one of the leading producers of POY, FDY, PTY, and DTY and has grown to a size of around 250 Crore Company because of its expansion drive which has reached a production capacity target of partially oriented polyester filament yarns of around 18325 tones p.a. and fully drawn yarns of around 14412 tones p.a.

Objects of our Company

The objects clause of our Memorandum enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through this Issue. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum.

The Main Objects of our Company, inter alia, as contained in our Memorandum of Association are:

1. To carry on the business of manufacturing, weaving, bleaching, dyeing, processing, mercerising, printing, sizing, importing, exporting, purchasing, selling and or otherwise, dealing in yarn of all types, cloth of all Types and other fabrics made from cotton, jute, wool, silk, art silk, rayon, nylon, man-made synthetics, fibers, staple fibers and other suitable materials and generally to carry on - the business of spinning crimping, texturing, twisting, weaving and processing mill properties in all their branches.
2. To gin kapas, and to spin, weave manufacture, dye, print, dean, press and pack cotton linen silk waste dropping, flywool, jute, hemp, flax and other fabrics, material and things capable of being used for dyeing, printing, combing, processing, sizing, bleaching and pressing purposes and to sell, buy or otherwise deal in all goods, yarn, cloth and or other fibers whether made or treated or processed by the Company or not and engage in any business relating to the use of any of the bye products of the Company.
3. To carry on business of spinners, weavers, manufactures, ginnners pressures, packers, and bailers of cotton, jute, hemp silk artificial silk rayon, nylon, stretchlon man made synthetics, fibers, staple fibers, wool and I any other fibrous materials and the cultivation thereof end the business of manufacturing, weaving, bleaching, printing and selling yarn cloth of all types, and fabrics of all types, whether knitted or looped and of importing, exporting, buying and or otherwise dealing in cotton, silk, art Silk, rayon-nylon stretchlon, man -made synthetic fibers, staple fibers, wool hemp and-other fibrous materials yarn cloth, linen and rayon and or merchandise made there from and generally to carry on the business of spinners, weavers, processors, dyers, sizers, manufacturers and or dealers in cotton, linen flax, hemp, jute silk, artificial silk rayon man made synthetics fibers, staple, staple fibers, wool yarn, and cloth merchants. Cleaners, combers, spinners, weavers, bleachers, dyers, printers, sizers, importers, exporters, manufacturing or carrying and preparing processes and to purchase, sell import and export and or otherwise deal in raw materials and manufactured articles.
4. To carry on business of manufacturing, buying, selling, exchanging, converting, altering, importing, exporting, processing, crimping texturing, twisting or otherwise handling or dealing in rayon yarn (also known as continuous filament rayon or artificial silk yarn and which expression shall include all synthetic fiber or fibers whatsoever for textile use staple fiber, staple fiber yarn (also known as spun rayon) and such other fiber/fibers or fibrous materials or allied products, bye Products, or substances or substitutes for all or any of them or yarn or yarns for textile or other use As may be practicable or deemed expedient.



Amendments to our Memorandum and Articles of Association

Since our incorporation, the following changes have been made to our Memorandum of Association:

Date of Shareholder's meeting.	Type of Meeting	Nature of Amendments	Details of Amendments
19.03.2010	EGM	Re- classification of shares	Authorised share capital consist of 65,000,000 (Six Crore and Fifty Lacs) Equity shares of Rs. 5/- each be and is hereby re- classified into 55,000,000 (Five Core Fifty Lacs) Equity shares of Rs. 5/- each and 500,000 (Five Lacs) Preference Shares of Rs. 100/- each.
28.09.2013	EGM	Consolidation of Shares	Consolidation of share capital from Rs. 5/- per share to Rs. 10/- per share.
14.08.2015	EGM	Redemption of 500,000(Five Lacs) 8% Non-Cumulative Redeemable Preference Shares.	Notice to Registrar for redemption of 500,000(Five Lacs) 8% Non-Cumulative Redeemable Preference Shares.

Changes in the Registered Office of our Company

Date of Meeting	Type of Meeting	Nature of Amendments	From	To
05.10.2009	Board Meeting	Change of registered office within local limits of city, town or village	S.No 396(P), 403(P) Moriya Village, Sarkhej-Bavla Highway, Tal-Sanand, Ahmedabad-382210.	S.No 391(P), 396(P) Moriya Village, Sarkhej-Bavla Highway, Tal-Sanand, Ahmedabad-382210.
12.01.2011	Board Meeting	Change of registered office within local limits of city, town or village.	S.No 391(P),396(P) Moriya Village, Sarkhej-Bavla Highway, Tal-Sanand, Ahmedabad-382210	S.No 396(P), 395/4(P) Moriya Village, Sarkhej-Bavla Highway, Tal-Sanand, Ahmedabad-382210.

Key Events and Milestones

Year	Milestone
December 17, 2003	Incorporation of the Company in the Name of Nova Polyyarn Limited.
August 27, 2009	Court order for composite deed of arrangement in nature of demerger, re- organization of capital and transfer of demerged undertaking from Nova Petrochemicals Limited to Nova Polyyarn Limited.
October 15, 2009	By the virtue of order of Hon'ble Gujarat Court approving the scheme of de- merger as per clause 29 (C), name of the Company (resulting company) stands changes to CIL Nova Petrochemicals Limited.

Injection or Restraining Order

There are no Injection or restraining order as on date.

Our Shareholders

The Shareholders of the Company as on March 31st, 2016 as are follows:

As on March 31st, 2016, the total number of Equity Shareholders of the Company is 6069. For further details of our shareholding pattern appearing in chapter "*Capital Structure*", please refer to page no 33 of Draft Letter of offer.



Lock out or Strikes

There have been no lock outs or strikes in, our Company since incorporation

Subsidiaries

As on this Draft Letter of offer, our Company does not have any subsidiaries.

Strategic Partners

As on the date of the Draft Letter of Offer, our company does not have any strategic partners.

Financial Partners

As on the date of the Draft Letter of Offer, apart from the various arrangements with bankers and lenders which our company undertakes in the normal course of business, our company does not have any other financial partner.

Shareholders Agreement

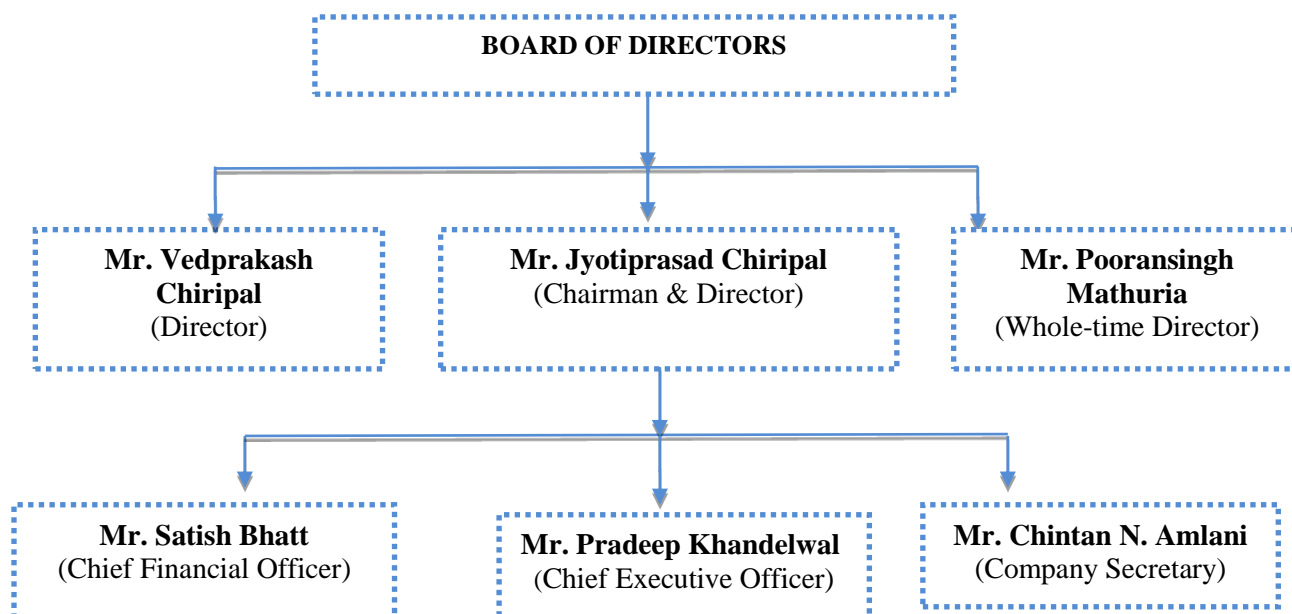
There is no subsisting shareholders agreement among our shareholders in relation to which we are a party or otherwise are aware of.

Material Agreements:

There are no material agreements, apart from those entered into in the ordinary course of business carried on by us.



MANAGEMENT ORGANISATION STRUCTURE





OUR MANAGEMENT

Board of Directors

Our Company's Articles of Association provides that the number of Directors shall not be less than 3 (three) and shall not be more than 15 (fifteen). Our Board presently comprises of 6 (Six) directors, which consists of 2 (two) Executive and Promoter Directors, 1(One) Whole Time Director (Non Promoter) and 3 (Three) Non- Executive Independent Directors.

The following table sets forth details regarding the Board of Directors of our Company as of the date of filing the Draft Letter of Offer.

Sr. No.	Name, Designation, Address, Age, Qualifications, Occupation, Nationality, Term	Date of Appointment	DIN	Other Directorships
1	Mr. Jyotiprasad Chiripal S/o. Late Devkinandan Chiripal Date of Birth: 21.08.1953 Age: 62 years Address: 91, Basant Bahar Bunglow, Bopal, Ahmedabad- 380058. Experience: 40 years Nationality: Indian Qualification: B.Com Occupation: Business Designation: Managing Director and Chairman Term: 5 Years	Appointed as first Director of the Company as on 17.12.2003. Appointed as Managing Director with effect from 6.08.2014	00155695	✓ Vishal Fabrics Limited ✓ Chiripal Industries Limited ✓ Ele mints Private Limited ✓ Chiripal energy Limited ✓ Chiripal Poly Films Limited ✓ Basant Bahar Gymkhana Private Limited ✓ Chiripal Infrastructure Limited ✓ Shanti Innovation And Research Foundation ✓ Shanti Academic And Research Foundation ✓ Vraj Spintex Private Limited
2.	Mr. Vedprakash Chiripal S/o. Late Devkinandan Chiripal Date of Birth: 21.11.1951 Age: 64 years Address: 11 Nandi Hill Society, opp. ISRO, Satellite Road, Ahmedabad - 380015, Gujarat, India. Experience: 30 years Nationality: Indian Qualification: B.Com Occupation: Business Designation: Executive Director	Appointed as first Director of the Company as on 17.12.2003 and is eligible to retire by rotation.	00290454	✓ Chiripal Industries Limited ✓ Nandan Denim Limited ✓ Chiripal Poly Films Limited ✓ Shanti Innovation And Research Foundation ✓ Vraj Mega Food Park Private Limited ✓ Nav Srajan Projects Private Limited ✓ Shanti Academic And Research Foundation ✓ Nandan Terry Private Limited ✓ Picasso Flexibles Limited ✓ Nandan Chiripal Energy Coporation LLP ✓ Nandan Corporation LLP ✓ Devkinandan Corporation LLP ✓ Nandan Hometex Private Limited



Sr. No.	Name, Designation, Address, Age, Qualifications, Occupation, Nationality, Term	Date of Appointment	DIN	Other Directorships
33.	Mr. Rajendraprasad Shah S/o. Jethalal Somalal Shah Date of Birth: 15.12.1949 Age: 66 years Address: A-104, Saraswat Apt., Hirabaug Ambawadi Bazar Ellisbridge, Ahmedabad, 380006. Experience: 42 years Nationality: Indian Qualification: M.E (Mech) in Production Engineering, Post Graduate Diploma in Industrial Engineering & Management. Occupation: Business Designation: Non- Executive Independent Director Term: 5 Years	Appointed as an additional director as on 18.03.2014 Change in designation as an Independent Director as on 20.09.2014	01982424	✓ Kutch Water Distribution Company Limited ✓ Bhagwati Autocast Limited ✓ SME Mavens Foundation
4.	Mr. Murlimanohar Goyal S/o. Raghunandan Nagarmal Goyal Date of Birth: 05.02.1960 Age: 55 years Address: 11, Anu Shil Niketan, Irla, S.V. Road, Vile Parle West, Mumbai, 400056. Experience: 30 years Nationality: Indian Qualification: H.S.C Occupation: Business Designation: Non- Executive Independent Director Term: 5 Years	Appointed as an additional director as on 05.10.2009 Change in designation as an Independent director as on 23.09.2010	02329431	NIL
5.	Mr. Ambalal Patel S/o. Chhitabhai Patel Date of Birth: 01.04.1944 Age: 71 years Address: 14/Bshreya Snath Society, Vasan, NR. Dhranidhar Derasar, Ahmedabad:380007 Experience: 46 years Nationality: Indian Qualification: Bachelor in Metallurgical Engineering and Bachelor of Science (Chemistry) Occupation: Business Designation: Non- Executive Independent Director Term: 5 Years	Appointed as an additional director as on 05.10.2009 Change in designation as an Independent director as on 20.09.2014	00037870	✓ Jindal Hotels Limited ✓ S A L Steel Limited ✓ Sumeru Industries Limited ✓ Ajmera Realty & Infra India Limited ✓ Karnavati Hospital Pvt Ltd ✓ Chiripal Industries Limited ✓ Nandan Denim Limited ✓ Shree Precoated Steels Limited



Sr. No.	Name, Designation, Address, Age, Qualifications, Occupation, Nationality, Term	Date of Appointment	DIN	Other Directorships
6.	Mr. Pooransingh Mathuria S/o. Mr. M. L. Singh Date of Birth: 09-11-1965 Age: 51 years Address: Flat No: C-301 Petal Atlantis park Parashwanath Society Sughad, Gandhinagar, Gujarat 382424, Ahmedabad Experience: 25 years Nationality: Indian Qualification: B.Sc and Diploma in Industrial Electronics and Electrical Engineering Occupation: Service Designation: Whole Time Director Term: 5 Years	February 13, 2016 Appointed as a Whole-time Director w.e.f. February 13, 2016	07430356	NIL

Note: Our Company is in the process to appoint Woman Director as Ms. Pooja Gwalani, Independent Director of the Company has tendered her resignation from the Board of Directors of the Company with immediate effect vide here resignation letter dated May 26, 2016

Brief Profile of our Directors:

- Mr. Jyotiprasad Chiripal:** Mr. Jyotiprasad Chiripal aged 62 years residing at 91, Basant Bahar Bunglow,, Bopal, Ahmedabad 380058, Gujarat, India. He is the Managing Director and Chairman of our Company. He played a vital role in establishing the Company and he have able to steer the company to become one of the fastest growing companies in India. He is a graduate in Commerce from Gujarat University. He joined the Board of Director on December 17, 2003 as the first director of the Company. He has around 40 years of experience in the field of manufacturing, trading and export of various textile products.
- Mr. Vedprakash Chiripal:** Mr. Vedprakash Chiripal aged 64 years residing at 11 Nandi Hill Society, Opp. ISRO, Satellite Road, and Ahmedabad 380015, Gujarat, India. He is an Executive Director of our Company. He joined the Board of Director on December 17, 2003 as the first director of the Company. He is a Bachelor of Commerce from Gujarat University. He is known for his financial acumen and he drives the Chiripal group with his vision, knowledge and experience. He has around 30 years of experience in the field of manufacturing, trading and export of various textile products.
- Mr. Rajendraprasad Shah:** Mr. Rajendraprasad Shah aged 66 years residing at A-104, Saraswat Apt., Hirabaug Ambawadi Bazar Ellisbridge, Ahmedabad 380006, Gujarat, India. He is the Non- Executive Independent Director of the Company. He possesses the qualification of M.E (Mech) in Production Engineering, Post Diploma in Industrial Engineering & Management. He is the member of professional institutions like Institution of Engineers (India) (MIE) and Ahmedabad Management Association. He has experience of more than 40 years served on various position in private as well as government sector till his retirement in the year 2014.
- Mr. Murlimanohar Goyal:** Mr. Murlimanohar Goyal aged 55 years residing at 11, Anu Shil Niketan, Irla, S.V. Road, Vile Parle West, Mumbai 400056, Maharashtra, India. He has done higher secondary education from Maharashtra University. He is the Non- executive Independent Director of the company and has rich experience in textile line of business of domestic as well as export market.
- Mr. Ambalal Patel:** Mr. Ambalal Patel aged 71 years residing at 14/Bshreyasnath Society, Vasan, NR. Dhranidhar Derasar, Ahmedabad 380007, Gujarat, India. He is the Non- Executive Independent Director of our Company. He is a Bachelor in Metallurgical Engineering and Bachelor of Science (Chemistry). He has an experience of approximately 46 years in project evaluation and finance.
- Mr. Pooransingh Mathuria:** Mr. Pooransingh Mathuria aged 51 years residing at Flat No: C-301 Petal Atlantis park Parashwanath Society Sughad, Gandhinagar, Gujarat 382 424, Ahmedabad. He is technically competent electrical and electronics engineer with professional experience of nearly 25 years in steering plant engineering, maintenance and



energy management domains with prestigious industrial establishments is serving as Additional Whole Time Director of the Company. He has done B.SC and Diploma in Industrial Electronics and Electrical Engineering. He has served various corporates including Welspun syntax Ltd and J.K.Synthetic Ltd by playing different roles during his tenure and has vast experience in erection and commissioning, operation and maintenance, mobilizing and managing machines, cost reduction and value engineering.

Relationship between of Directors:

Mr. Jyotiprasad Chiripal and Mr. Vedprakash Chiripal are brothers in our Board and are related to each other within the meaning of Section 2 (77) of the Companies Act, 2013.

Confirmations

None of the Directors is or was a director of any listed company during the last five years preceding the date of filing of the Draft Letter of Offer, whose shares have been or were suspended from being traded on the stock exchanges, during the term of their directorship in such company. None of the Directors is or was a director of any listed company which has been or was delisted from any recognised stock exchange in India during the term of their directorship in such company. There is no arrangement or understanding between our Company and any shareholder, customer, supplier or other party pursuant to which any of the directors on the Board or a member of the senior management of our Company has been appointed.

Service Agreements entered into between our Company and Directors.

Except as disclosed in the section titled "Compensation to our Directors" below, there are no service contracts executed between our Company and any Director/Manager providing for benefits upon termination of employment.

Remuneration and Compensation to Managing Director

The Board of Directors of our Company at their meeting held on August 6 2014 appointed Mr. Jyotiprasad Chiripal as Managing Director of the Company for a period of 5 years w.e.f. August 6 2014. He is appointed upon such term and conditions without remuneration or without claiming any compensation for loss of office and any other facilities as given in the explanatory statement annexed to the notice of the general meeting.

Non- Executive Directors

The non – executive directors were not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and or Committees thereof. The details of the sitting fees paid to the Non- Executive Director in F.Y 2014-2015 is as under:

Sr. No	Name of the Director	Sitting fees (Rs.)
1	Mr. Rajendraprasad Shah	1,05,000
2	Mr. Ambalal Patel	1,05,000

The directors may be regarded as interested to the extent of their shareholding in the Company. The directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares of the Company held by them. Except as stated in this section "***Our Management***" beginning on page 50 of this Draft Letter of Offer, and except to the extent of shareholding in the Company, the Directors do not have any other interest in the business of the Company.

Shareholding of Board of Directors in our Company as on March 31, 2016:

Sr. No	Name of Director	No. of Equity Shares held (Pre-Issue)	Percentage of Shareholding
1.	Mr. Jyotiprasad Chiripal	6,250	0.05
2.	Mr. Vedprakash Chiripal	7,27,469	5.37
3.	Mr. Ambalal Patel	350	0.00



Strategic Partners

As on the date of the Draft Letter of Offer, our company does not have any strategic partners.

Financial Partners

As on the date of the Draft Letter of Offer, apart from the various arrangements with bankers and lenders which our company undertakes in the normal course of business, our company does not have any other financial partner.

Shareholders Agreement

There is no subsisting shareholders agreement among our shareholders in relation to which we are a party or otherwise are aware of.

Material Agreements

There is no material agreements, apart from those entered into in the ordinary course of business carried on by us.



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CIL NOVA PETROCHEMICALS LIMITED, AHMEDABAD

1. Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of CIL NOVA PETROCHEMICALS LIMITED ("the Company"), which comprise the Balance sheet as at 31st March, 2016, the Statement of Profit and loss, the Cash Flow Statement for the year then ended, and a summary of the significant policies and other explanatory information.

2. Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conduct our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amount and the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- ii. In the case of the Statement Profit and Loss Account, of the profit for the year ended on that date; and
- iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

5. Report on other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure-A a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (ii) As required by Section 143(3) of the Act, we report that:



- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements-Refer Note 26 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place : Ahmedabad

Date: 23/05/2016

For, J.T.Shah & Company
Chartered Accountants
[FRN No. 109616W]

Partner
[M. No. 3983]

1 SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation of financial Statements

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"), as applicable. The financial statements have been prepared as a going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

b. Use of estimates

In preparing the Company's financial statements in conformity with the accounting principles generally accepted in India, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.



c. **Fixed Assets**

Fixed Assets are stated at cost, net of Cenvat, less accumulated depreciation. All costs, including financial costs till commencement of commercial production are capitalized to the cost of qualifying assets. CENVAT credits on capital goods are accounted for by reducing the cost of capital goods.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

d. **Intangible Assets**

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization. All costs, including financing costs in respect of qualifying assets till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the intangible assets are capitalized.

Intangible assets are amortized on a straight – line basis over their estimated useful lives. A rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use is considered by the management.

The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised as income or expenses in the Statement of Profit and Loss in the year or disposal.

e. **Depreciation**

Depreciation on Fixed Assets other than Electrical Installation and Plant and Machinery has been provided on "Straight Line Method" at the rates provided in Schedule II of the Companies Act, 2013. Depreciation on Electrical Installation has been provided on "Straight Line Method" by taking the total life of assets at 28 years based on internal technical evaluation. Depreciation on Plant and Machinery has been provided on "Written down Value Method" by taking the total life of assets at 28 years based on internal technical evaluation.

When assets are disposed or retired, their cost is removed from the financial statements. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in Statement of Profit and Loss for the relevant financial year.

f. **Inventories**

Inventories at year-end are valued at the lower of cost or net realizable value. The basis of determining the cost for various categories of inventories is as follows:

- (i) In case of Raw Materials, Stores, Spares, Fuel and Packing Materials on FIFO basis.



(ii) In case of Finished Goods and Work-In-Progress on FIFO basis.

g. Foreign Currency Transactions

Transactions denominated in Foreign Currency are normally recorded at the exchange rate prevailing at the time of transaction. Monetary items denominated in foreign currencies at the year are translated at the rate prevailing on the date of Balance Sheet. Exchange differences are dealt with in the Profit & Loss account.

h. Sales

Sales are accounted for on dispatch of goods to the customers and are inclusive of Excise Duty and Sales Tax but net of sales returns and trade discounts.

i. Investments

Non-Current Investments are stated at its cost. Provision is made for any diminution in the value of the Long Term Investments, if such decline is other than temporary.

j. Borrowing Cost

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets, till such assets are ready for their intended use. A qualifying asset is the one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue. Capitalization of borrowing cost is suspended when active development is interrupted.

k. Leases

Where the Company is the lessee

Leases, wherein the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company Is the lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

l. Taxation

- i) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.



- ii) Deferred Tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or subsequently enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is virtual certainty that the assets will be realized in future.
- m. Provisions, Contingent Liabilities and Contingent Assets**
- Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statement.
- n. Impairment of Assets**
- The Management Periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes an impairment loss as the excess of the carrying amount of the asset over the recoverable amount. The impairment loss recognised in prior accounting periods is reversed if there has been a change in the estimate of recoverable amounts.
- o. Earning Per Share**
- Basic earning per share is calculated by dividing net profit after tax for the year attributable to equity share holders of the company by the weighted average number of equity shares issued during the year. Diluted earning per share is calculated by dividing net profit attributable to equity share holders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year.
- p. Employee Benefits**
- (i) The employee and Company make monthly fixed Contribution to Government of India Employee’s Provident fund equal to a specified percentage of the covered employee’s salary, Provision for the same is made in the year in which service are rendered by the employees.
- (ii) The Liability for Gratuity to employee, which is a defined benefit plan, is determined on the basis of actuarial Valuation based on Projected Unit Credit method. Actuarial gain/Loss in respect of the same is charged to the profit and loss account.
- (iii) Leave encashment benefit to eligible employee has been ascertained on actuarial basis and provided for. Actuarial gain/loss in respect of the same is charged to the profit and loss account.
- (iv) Short Term benefits are recognised as an expense at the undiscounted amounts in the Statement of Profit and Loss of the year in which the related service is rendered.



Balance Sheet as at 31/03/2016

Particulars	Note No.	As at 31/03/2016 Rs.		As at 31/03/2015 Rs.
<u>EQUITY AND LIABILITIES</u>				
<u>[1] Shareholders' Funds :</u>				
[a] Share Capital	2	135,500,000		185,500,000
[b] Reserves & Surplus	3	447,893,412		393,130,916
		583,393,412		578,630,916
[2] Share Application Money		Nil		Nil
<u>[3] Non-Current Liabilities :</u>				
[a] Deferred Tax Liabilities (Net)	4	Nil		Nil
[b] Long Term Borrowings	5	204,959,672		297,334,436
[c] Long-term Provisions	6	Nil		30,133
[d] Other Long Term Liabilities	9	120,000,000		Nil
		324,959,672		297,364,569
<u>[4] Current Liabilities</u>				
[a] Short-term Borrowings	7	165,441,755		188,319,785
[b] Trade Payables	8	231,861,432		187,760,771
[c] Short term Provisions	6	9,010,226		8,793,767
[d] Other Current Liabilities	9	200,438,415		320,978,472
		606,751,828		705,852,795
Total		1,515,104,912		1,581,848,280
<u>ASSETS :</u>				
<u>[1] Non-Current Assets</u>				
[a] Fixed Assets :				
(i) Tangible Assets	10	901,226,921		935,149,594
(ii) Intangible Assets		Nil		Nil
(iii) Capital Work in Progress		48,160,593		48,160,593
		949,387,514		983,310,187
[b] Non-Current Investments	11	2,218		12,218
[c] Long-term Loans and Advances	12	12,597,849		17,165,296
[d] Other Non-Current Assets	13	Nil		4,608,759
		961,987,581		1,005,096,460
<u>[2] Current Assets</u>				
[a] Inventories	14	165,535,268		107,305,048
[b] Trade Receivables	15	356,623,135		211,140,852
[c] Cash & Bank Balances	16	12,228,039		21,277,075
[d] Short term Loans and Advances	12	18,730,889		237,028,844
		553,117,331		576,751,819
Total		1,515,104,912		1,581,848,280
Significant Accounting Policies	1			
Notes forming part of Financial Statements	2 to 38			

As per our report of even date attached herewith



For, J.T.Shah & Company
Chartered Accountants
[FRN No. 109616W]

For, CIL NOVA PETROCHEMICALS LTD.

[J. T. Shah]
Partner
[M. No. 3983]

Director
Company Secretary

Director
CFO

Place : Ahmedabad
Date: 23/05/2016

Place : Ahmedabad
Date: 23/05/2016

Statement of Profit & Loss for the year ended 31/03/2016

Particulars	Note No.	For the year ended 31/03/2016		For the year ended 31/03/2015
		Rs.		Rs.
INCOME				
Revenue from Operations	17	2,254,346,737		2,689,385,843
Less: Excise Duty		236,134,628		259,247,820
		2,018,212,109		2,430,138,023
Other Income	18	3,805,890		5,040,133
Total Revenue		2,022,017,999		2,435,178,155
EXPENDITURE				
Cost of Materials Consumed	19	1,326,981,269		1,616,903,989
Purchase of Stock in Trade	20	82,273,802		268,398,249
Changes in Inventories of Finished Goods & Work in Process	21	28,519,870		(18,962,593)
Employee Benefits Expense	22	65,496,485		57,967,433
Finance Costs	23	37,643,850		58,216,038
Depreciation and Amortisation expense	24	58,876,160		66,201,661
Other Expenses	25	343,144,908		335,630,354
Total Expenses		1,942,936,345		2,384,355,132
Profit/(Loss) before Tax		79,081,654		50,823,024
Less : Tax expense:				
- Current Tax		16,123,800		10,655,047
- Deferred Tax	4	Nil		Nil
- Short Provision of Income Tax of Earlier Years		8,195,358		Nil



Profit for the year		54,762,496		40,167,977
Basic & diluted earnings per share of Rs.10 each	29	4.04		2.96
Significant Accounting Policies	1			
Notes on Financial Statements	2 to 38			

As per our report of even date attached herewith

For, J.T. Shah & Company

Chartered Accountants

[FRN No. 109616W]

For, CIL NOVA PETROCHEMICALS LTD.

Director

Director

[J. T. Shah]

Partner

[M. No. 3983]

Company Secretary

CFO

Place : Ahmedabad

Date: 23/05/2016

Place : Ahmedabad

Date: 23/05/2016

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-03-2016

	Particulars		31-03-2016	31-03-2015
A	Cash from Operating Activity			
	Profit Before Tax from Continuing Operation		79,081,654	50,823,024
			79,081,654	50,823,024
	Non Cash Adjustment to reconcile profit before tax to net cash flows			
	Depreciation	58,876,160		66,201,661
	Bad Debts Written Off/ Sundry Balance Written off	(63,015)		(153,351)
	(Profit)/Loss on sale of fixed assets (net)	(246,578)		1,437,147
	Interest Received	(3,736,355)		(4,392,635)
	Provision for Doubtful debt	Nil		Nil
			54,830,212	63,092,822
	Dividend Income	Nil		Nil
	Interest and Finance Charges	37,643,850		58,216,038
			37,643,850	58,216,038
	Adjustment for Movements in Working Capital:			
	Increase/(decrease) in trade Payable	44,163,681		(146,731,031)
	Increase/(decrease) in long-term Provision	(30,133)		30,133
	Increase/(decrease) in short-term Provision	568,663		11,481,004
	Increase/(decrease) in other current liability	(15,313,237)		(2,164,260)
	Increase/(decrease) in other long-term liability	120,000,000		Nil
	Decrease/(increase) in trade receivable	(145,482,286)		347,063,672
	Decrease/(increase) in inventories	(58,230,220)		(6,844,360)



	Decrease/(increase) in long term loans and advances	150,000		3,183,161
	Decrease/(increase) in short term loans and advances	217,930,035		(110,974,556)
	Decrease/(increase) in other current assets	Nil		Nil
	Decrease/(increase) in other non-current assets	Nil		Nil
			163,756,503	95,043,763
	CASH GENERATED FROM OPERATIONS		335,312,220	267,175,647
	Direct Taxes paid	(17,492,097)		(17,179,089)
			(17,492,097)	(17,179,089)
	NET CASH FLOW FROM OPERATIONS		317,820,123	249,996,558
B	Cash flow from investing activities			
	Purchase of Fixed Assets (Incl. WIP)	(48,391,731)		72,931,101
	Sale of Fixed Assets	1,102,085		800,000
	Investment/(Withdrawal) in Fixed deposit	Nil		(3,860,838)
	Proceeds from sale / disposed of investments	10,000		Nil
	Investment received back from Fixed deposit	7,509,725		Nil
	Interest Received	4,104,275		4,100,045
	Dividend Income	Nil		Nil
	NET CASH USED IN INVESTING ACTIVITY		(35,665,646)	73,970,308
C	Cash flow from financing activities			
	Long Term Borrowing Taken during the year	Nil		Nil
	Long Term Borrowing Paid during the year	(177,780,667)		(222,893,171)
	Short Term Borrowing Taken During the year	Nil		Nil
	Short Term Borrowing Paid During the year	(22,878,029)		(45,320,571)
	Share Application Money paid back	Nil		Nil
	Interest paid	(37,643,850)		(58,216,038)
	Repayment of Preference Share Capital	(50,000,000)		Nil
	Dividend paid on Equity Shares (Incl. Dividend Tax)	Nil		Nil
	NET CASH USED IN FINANCING ACTIVITY		(288,302,546)	(326,429,780)
	Net Increase/(Decrease) in cash and cash equivalents		(6,148,070)	(2,462,914)
	Cash and cash equivalent Opening Balance		7,667,524	10,130,438
	Cash and cash equivalent Closing Balance		1,519,453	7,667,524
	Net Increase/(Decrease) in cash and cash equivalents		(6,148,070)	(2,462,914)
	Cash and cash equivalent Opening Balance		7,667,524	10,130,438
	Cash and cash equivalent Closing Balance		1,519,453	7667524
	Net Increase/(Decrease) in cash and cash equivalents		(6,148,070)	(2,462,914)
	Notes:			
=>	The above Cash Flow Statement has been prepared under the Indirect Method set out in Accounting Standard 3 issued by ICAI.			
=>	Cash and Cash equivalent includes Rs NIL (P.Y. Rs. Nil/-) towards Unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the stated purpose are done through such account.			

As per our report of even date attached herewith

For, J.T. Shah & Company

For, CIL NOVA PETROCHEMICALS LTD.



Chartered Accountants

[FRN No. 109616W]

[J. T. Shah]

Partner

[M. No. 3983]

Director

Director

Company Secretary

CFO

Place : Ahmedabad

Date: 23/05/2016

Place : Ahmedabad

Date: 23/05/2016

Note:

2	Share Capital	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	[i] Authorised :		
	27500000 (Previous Year 27500000) Equity shares of par value of Rs. 10 (P.Y. Rs. 10) each	275,000,000	275,000,000
	500000 (Previous Year 500000) 8% Non Cumulative Redeemable Preference Shares of Rs. 100 (P.Y. Rs. 100) each	50,000,000	50,000,000
	Total	325,000,000	325,000,000
	[ii] Issued, Subscribed & Paid-up Capital :		
	13550000 (Previous Year 13550000) Equity shares of Rs 10 (P.Y. Rs. 10) each fully paid up.	135,500,000	135,500,000
	500000 (Previous Year 500000) 8% Non Cumulative Redeemable Preference Shares of Rs 100 (P.Y. Rs. 100) each fully paid up.	Nil	50,000,000
	Total	135,500,000	185,500,000
2.1	Each Equity Shareholder is entitle to vote at the meeting shall unless a poll is demanded be decided on a show of hand and upon show of hands every member entitle to vote and present in person shall one vote, and upon a poll every member entitle to vote and persent in person or by proxy shall have one vote, for every share held by him.The Preference share holders shall not carry any right to vote on any matter except their rights are affected as provided under the provisions of Article of Association and Companies Act,1956.		
2.2	In the event of liquidation of the Company, the Preference Share holders will be entitled to receive any of the remaining assets of the company prior to equity share holders, after the distribution of all other preferential amounts. The holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts and preference share capital in proportion to the number of equity shares held by the shareholders.		
2.3	Under the scheme of demerger of Nova Petrochemicals Ltd, the company issued and allotted 2,70,00,000 equity shares amounting to Rs.13,50,00,000/- to the share holders of Nova Petrochemicals Ltd. in the ratio of one equity share of face value of Rs.5 each fully paid up in the company for every one equity share of Rs.10 each fully paid up held by the shareholders of Nova Petrochemicals Ltd in the year 2009-10.		
2.4	Reconciliation of the number of Equity shares outstanding and the amount of share capital as at 31/03/2016 & 31/03/2015 is set out below.		
	Particulars	As at 31/03/2016	As at 31/03/2015



		No. of Shares	Amt (Rs.)	No. of Shares	Amt (Rs.)
	Shares at the beginning of face value of Rs. 10/- (PY. Rs.5/-)	13,550,000	135,500,000	13,550,000	135,500,000
	Cancellation of share of Face Value of Rs. 5 on consolidation of shares	Nil	Nil	Nil	Nil
	Reduction in number of shares upon consolidation of Equity Shares of Rs. 5 in to Equity Shares of Rs. 10 each	Nil	Nil	Nil	Nil
	Shares at the end of face value of Rs.10/- each (PY. Rs.10/-)	13,550,000	135,500,000	13,550,000	135,500,000
2.5	Reconciliation of the number of Preference shares outstanding and the amount of share capital as at 31/03/2016 & 31/03/2015 is set out below.				
	Particulars	As at 31/03/2016		As at 31/03/2015	
		No. of Shares	Amt (Rs.)	No. of Shares	Amt (Rs.)
	Shares at the beginning	500,000	50,000,000	500,000	50,000,000
	Addition	Nil	Nil	Nil	Nil
	Deletion	500,000	50,000,000	Nil	Nil
	Shares at the end	Nil	Nil	500,000	50,000,000
2.6	The details of equity shareholders holding more than 5% shares as at 31/03/2016 and 31/03/2015 is set out below.				
	Name of Shareholder	As at 31/03/2016		As at 31/03/2015	
		No. of Shares	% held	No. of Shares	% held
	Chiripal Exim LLP	2,750,000	20.30%	2,750,000	20.30%
	Devkinandan Corporation LLP	1,648,181	12.16%	Nil	Nil
	Chiripal Industries Ltd.	1,504,000	11.10%	1,504,000	11.10%
	Vedprakash D Chiripal	727,469	5.37%	727,469	5.37%
2.7	The details of Preference shareholders holding more than 5% shares as at 31/03/2016 and 31/03/2015 is set out below.				
	Name of Shareholder	As at 31/03/2016		As at 31/03/2015	
		No. of Shares	% held	No. of Shares	% held
	Sparrow Exports Pvt Ltd	Nil	Nil	500,000	100.00%
2.8	Details of Redeemable Preference Shares are as Follows:-				
	Particulars	Rate of Interest	Date of Issue	Period of Redumption	
	Preference Share Capital	8%	26/03/2010	Within 10 years with the option to redeem after the period of 5 years at the discretion of Board.	
3	Reserves & Surplus			As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	Share Premium				
	Balance as per last financial Statement			118,970,013	118,970,013
	Closing Balance			118,970,013	118,970,013
	Revaluation Reserve				



	Balance as per last financial Statement	410,893,433	410,893,433		
	Closing Balance	410,893,433	410,893,433		
	<u>General Reserve</u>	-	-		
	Balance as per last financial Statement	21,177,975	22,500,000		
	Less :- Amount of depreciation in respect of fixed assets whose useful life has expired on adoption to Schedule II of the Companies Act-2013.	Nil	(1,322,025)		
	Closing Balance	21,177,975	21,177,975		
	<u>Surplus/(deficit) in the Statement of Profit and Loss</u>				
	Balance as per last financial Statement	(197,910,505)	(198,078,482)		
	Add : Profit for the year	54,762,496	40,167,977		
	Less: Trasferred to Preference Share Redemption Reserve	(10,000,000)	(40,000,000)		
	Net Deficit in the statement of profit and loss	(153,148,009)	(197,910,505)		
	<u>Preference Share Redemption Reserve</u>				
	Balance as per last financial Statement	40,000,000	Nil		
	Add : Transferred from Surplus from Statement of Profit and Loss	10,000,000	40,000,000		
	Add : Transferred to Capital Redemption Reserve	(50,000,000)	Nil		
	Closing Balance	Nil	40,000,000		
	<u>Capital Redemption Reserve*</u>				
	Balance as per last financial Statement	Nil	Nil		
	Add : Transferred from Preference Share Redemption Reserve	50,000,000	Nil		
	Closing Balance	50,000,000	Nil		
	*Note: Capital Redemption Reserve Shall be utilised for the Purpose of Issue of Bonus Shares.				
	Total	447,893,412	393,130,916		
	4	The Company is entitled for set off of carried forward unabsorbed depreciation against the future income under the Income Tax Act. Further company is also eligible for MAT credit under Income Tax Act . In the absence of reasonable certainty in respect of future income and as a matter of prudence, the company is not recognizing the deferred tax asset as provided in the Accounting Standard 22 issued by The Institute of Chartered Accountants of India.			
	5	<u>Long Term Borrowings</u>	Non-Current		Current
		As at 31/03/2016 Rs.	As at 31/03/2015 Rs.	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
Loan From Related Party		Nil	1,000,000	Nil	Nil
Intercompany Loans		201,500,000	201,500,000	Nil	Nil
Vehicle Loans		3,459,672	2,742,879	2,227,876	1,299,994
Term Loan From Banks		Nil	92,091,557	Nil	86,333,785
		204,959,672	297,334,436	2,227,876	87,633,779
The above amount Includes:					
Secured Borrowings		3,459,672	94,834,436	2,227,876	87,633,779
Unsecured Borrowings		201,500,000	202,500,000	Nil	Nil
	204,959,672	297,334,436	2,227,876	87,633,779	
	Amount disclosed under	Nil	Nil	(2,227,876)	(87,633,779)



	the head 'Other Current Liabilities' (Note No. 9)				
	Total	204,959,672	297,334,436	Nil	Nil
	Security :				
	Vehicle Loans are secured by Hypothecation of Vehicles. Loan from related party and Intercompany Loans are unsecured				
	Interest:				
	Interest on Vehicle Loans are ranging between 9.57% to 11.35% payable on monthly basis. Loan from related party and Intercompany Loans are interest free Loans. Dealer Deposit are interest free Loans.				
	Repayment:				
	Vehicle Loans are repayable in following schedule in monthly instalments as follows:-				
	Particulars	Upto 1 year	2 to 4 Years	More than 5 years	
	Vehicle Loans	2,227,876	3,459,672	Nil	
	Loan from Intercompany Loans are repayable during the financial year 2017-18.				
	6	Provisions	Non-Current		Current
		As at 31/03/2016 Rs.	As at 31/03/2015 Rs.	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	Provisions for employee benefits:				
	For Leave Encashment	Nil	Nil	4,808,426	3,809,771
	For Gratuity (Net of Assets)	Nil	30,133	416,000	845,992
	Provision for Income Tax	Nil	Nil	16,285,800	10,655,047
	Less: Advance Tax & TDS	Nil	Nil	(12500000)	(6517042)
		Nil	Nil	3,785,800	4,138,005
	Total	Nil	30,133	9,010,226	8,793,767
7	Short Term Borrowing :			Current	
				As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	Loans Repayable on Demand (Secured)				
	Working Capital Loans from Banks			165,441,755	188,319,785
	Total			165,441,755	188,319,785
	Security :				
	Working Capital loans are secured by first charge on Book Debt and Stocks, and further secured by personal guarantee of the Promoter Directors and corporate guarantee of the Promoter's Group Companies and also further secured by second charge on fixed assets.				
8	Trade payables	Current			



			As at 31/03/2016 Rs.	As at 31/03/2015 Rs.	
	Micro, Small and Medium Enterprises @		Nil	Nil	
	Other Trade payables		231,861,432	187,760,771	
	@ The Company has not received the required information from Suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been made.				
			231,861,432	187,760,771	
9	<u>Other Liabilities</u>	Non-Current		Current	
		As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)	As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
	Current Maturity of Long Term Borrowing (Note No. 5)	Nil	Nil	2,227,876	87,633,779
	Creditor for Capital Goods	Nil	Nil	170,901,724	190,722,641
	Creditors for Expense	Nil	Nil	12,297,765	27,169,142
	Advance received from customers	Nil	Nil	1,495,936	576,045
	Interest Accrued but not due on Borrowing	Nil	Nil	42,404	678,693
	Salary & Wages Payable	Nil	Nil	6,675,826	4,518,406
	Other Statutory dues	Nil	Nil	2,205,028	2,868,539
	Dealer Deposits	120,000,000	Nil	1,533,000	1,533,000
	Provision for Excise Duty on Finished Goods	Nil	Nil	3,058,857	5,278,228
	Investor Education & Protection Fund	Nil	Nil	Nil	Nil
		120,000,000	Nil	200,438,415	320,978,472



10											
	TANGIBLE ASSETS									INTANGIBLE ASSETS	
Particulars	Free Hold Land*	Buildings	Furniture & Fixtures	Electrical Installation	Computer	Plant & Machinery	Equipment	Vehicle	Total of Tangible Assets	Computer Software	Total of Intangible Assets
AT 01.04.2014	425,442,222	269,386,465	4,092,996	259,367,513	3,564,289	1,648,000,142	15,084,169	13,039,697	2,637,977,493	448,141	448,141
Addition	Nil	1,882,017	Nil	1,637,373	168,088	9,638,579	Nil	948,437	14,274,494	Nil	Nil
Disposal	Nil	Nil	Nil	Nil	Nil	(35,148,015)	Nil	Nil	(35,148,015)	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31.03.2015	425,442,222	271,268,482	4,092,996	261,004,886	3,732,377	1,622,490,707	15,084,169	13,988,134	2,617,103,972	448,141	448,141
Addition	Nil	10,295,801	2,361,931	554,208	287,870	8,365,683	430,752	3,512,750	25,808,995	Nil	Nil
Disposal	Nil	Nil	Nil	Nil	Nil	(10,165,634)	Nil	(1,894,100)	(12,059,734)	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31.03.2016	425,442,222	281,564,283	6,454,927	261,559,094	4,020,247	1,620,690,756	15,514,921	15,606,784	2,630,853,233	448,141	448,141
Depreciation	Free Hold Land	Buildings	Furniture & Fixtures	Electrical Installation	Computer	Plant & Machinery	Equipment	Vehicle	Total of Tangible Assets	Computer Software	Total of Intangible Assets
AT 01.04.2014	Nil	102,520,440	970,648	143,648,507	3,134,018	1,378,719,534	13,085,627	5,262,789	1,647,341,563	448,141	448,141
Change for the year	Nil	8,900,122	569,549	7,397,512	213,400	47,417,213	276,856	1,427,009	66,201,661	Nil	Nil
Disposal					Nil			Nil			Nil



	Nil	Nil	Nil	Nil		(32,910,868)	Nil		(32,910,868)	Nil	
Other Adjustment	Nil	Nil	24,700	Nil	128,380	Nil	1,168,946	Nil	Nil	Nil	Nil
At 31.03.2015	Nil	111,420,562	1,564,897	151,046,019	3,475,798	1,393,225,879	14,531,428	6,689,798	1,681,954,382	448,141	448,141
Change for the year	Nil	9,116,146	556,364	7,447,588	199,714	39,162,630	311,820	2,081,897	58,876,160	Nil	Nil
Disposal	Nil	Nil	Nil	Nil	Nil	(9,310,127)	Nil	(1,894,100)	(11,204,227)	Nil	Nil
Other Adjustment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
At 31.03.2016	Nil	120,536,709	2,121,262	158,493,607	3,675,512	1,423,078,382	14,843,248	6,877,596	1,729,626,315	448,141	448,141
NET BLOCK											
AS AT 31.3.2015	425,442,222	159,847,920	2,528,099	109,958,867	256,579	229,264,828	552,741	7,298,336	935,149,590	Nil	Nil
AS AT 31.3.2016	425,442,222	161,027,574	4,333,665	103,065,487	344,735	197,612,374	671,673	8,729,188	901,226,921	Nil	Nil
Note 1: On 31/03/2010 Company has revalued its Free Hold Land at Rs.42,23,86,556/- as against its original cost of Rs.1,14,93,123/- based on the Report issued by the Registered Valuer.											
2. In accordance with the provisions of Schedule II of the Companies Act, 2013 in case of fixed assets which have completed their useful life as at 1st April' 2014, the carrying value (net of residual value) amounting to Rs.Nil (P.Y. Rs. 13,22,025/-) as a transitional provision has been recognised in the Retained Earnings and such has been presented in other Adjustments column in Depreciation.											
3. Based on the internal technique evaluation the management has reassessed the total useful life of assets primary consist of Plant & Machinery and Electrical Installation at 28 years as against 15 years provided by the Schedule II of the Companies Act-2013 and based remaining life of the assets has been determined and depreciation is calculated for the year.											



11	<u>Non current investments [Non-Trade]</u>		Non-Current		
			As at 31/03/2016 Rs.	As at 31/03/2015 Rs.	
	<u>Investment in Equity Shares (Quoted)</u>				
	Nil(Previous Year 1) Equity Shares of Reliance Natural Resources Ltd, of Rs.5/- each fully paid-up		Nil	Nil	
	50 (Previous Year 50) Equity Shares of Century Enka Ltd, of Rs.10/- each Fully paid-up		1,890	1,890	
	50 (Previous Year 50) Equity Shares of Garden Silk Mills Ltd, of Rs.10/- each Fully paid-up		328	328	
		2,218	2,218		
	<u>Investment in Government Security (At Cost)</u>				
	National Saving certificate		Nil	10,000	
			Nil	10,000	
	Total		2,218	12,218	
	Aggregate Value of Quoted Investment		2,218	2,218	
	Market Value of Quoted Investment		11,480	8,798	
12	Aggregate Value of Government Security		Nil	10,000	
	<u>Loans and Advances</u>	Non-Current		Current	
	(Unsecured, Considered Good unless Otherwise Specified)	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.	As at 31/03/2016 Rs.	As at 31/03/2015 Rs.
	Security Deposites	1,596,968	1,746,968	Nil	Nil
	Advances recoverable in Cash or Kind	27,586	27,586	506,671	10,555,787
	Advances For Capital Goods	7,445,207	4,683,388	Nil	Nil
	Less: Provision for doubtful Advances	(2,445,207)	(2,445,207)	Nil	Nil
		5,000,000	2,238,181	Nil	Nil
	Advances to Suppliers	2,741,971	2,954,927	9,137,933	218,180,747
	Less: Provision for doubtful Advances	(2,741,971)	(2,954,927)	Nil	Nil
		Nil	Nil	9,137,933	218,180,747
	Balance With Government Authorities	Nil	Nil	5,653,946	6,511,346
	Loans to Employees	Nil	Nil	Nil	1,539
	Prepaid Expense	Nil	Nil	3,432,339	1,779,426
	Advance Tax & TDS	32,773,967	29,779,310	Nil	Nil
	Less: Provision For Income Tax	(26,800,672)	(16,626,749)	Nil	Nil
		5,973,295	13,152,561	Nil	Nil
	Total	12,597,849	17,165,296	18,730,889	237,028,844
	13	<u>Other non-current assets</u>		Non-Current	
				As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)



	Non Current Bank balance		Nil	4,608,759
	(Amount disclosed under Cash & Bank Balance in Note No.16)			
	Total		Nil	4,608,759
14	<u>Inventories</u>		Current	
			As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
	Raw materials		90,302,165	9,599,725
	Stores & Spares		22,965,509	19,917,204
	Power & Fuel		459,150	46,125
	Packing Material		2,062,496	2,727,202
	Work In Process		14,782,154	22,932,142
	Finished Goods		27,677,279	48,047,161
	Goods in Transit		7,286,515	4,035,489
	Total		165,535,268	107,305,048
	<u>Trade receivables</u>		Current	
			As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
	<u>Trade Receivables (Unsecured unless Otherwise Specified)</u>			
	Outstanding for a period exceeding Six Months from the date they are due for Payment			
	Considered Good		Nil	Nil
	Considered Doubtful		4,345,821	4,345,821
			4,345,821	4,345,821
	Less: Provision for doubtful receivable		4,345,821	4,345,821
			Nil	Nil
	Other Receivables			
	Others - Considered Good		356,623,135	211,140,852
	Others - Considered Doubtful		Nil	Nil
			356,623,135	211,140,852
	Less : Provision for doubtful receivable		Nil	Nil
			356,623,135	211,140,852
	Total		356,623,135	211,140,852
	Note: Trade Receivables are secured to the extent of Rs.121,033,778/- (Previous Year Rs.200,000/-)			
16	<u>Cash & Bank Balance</u>		Non-current	
			As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
	<u>Cash and cash equivalents</u>		Current	
			As at 31/03/2016 (Rs.)	As at 31/03/2015 (Rs.)
	Cash on hand		Nil	Nil
			120,590	390,250



	Balance With Banks	Nil	Nil	1,398,863	7,277,274
		Nil	Nil	1,519,453	7,667,524
	The Current Account balance includes Rs. NIL (P.Y. Rs.NIL/-) towards unclaimed dividend which have been kept in separate earmarked accounts and no transactions except for the state purpose are done through such account.				
	<u>Other Bank balance</u>				
	Margin Money Deposits	Nil	4,608,759	10,708,586	13,609,552
	[Amount disclosed under Non Current Assets Note No.13]	Nil	(4,608,759)	Nil	Nil
		Nil	Nil	10,708,586	13,609,552
	Total	Nil	Nil	12,228,039	21,277,075
17	<u>Revenue from operation</u>			For the year ended 31/03/2016 Rs.	For the year ended 31/03/2015 Rs.
	<u>Sale of Product</u>				
	Finished Goods (Net)			2,234,907,345	2,664,472,997
				2,234,907,345	2,664,472,997
	<u>Other Operating Revenue</u>				
	Job Charges			11,809,086	13,834,434
	Scrap Sales			76,30,306	11,078,412
	Total			2,254,346,737	2,689,385,843
	<u>Details of products sold</u>				
	<u>Finished Goods Sold</u>				
	Partially Oriented Polyester Filament Yarn (POY)			1,10,00,18,222	1,264,123,766
	Fully Draw Yarn			98,35,53,990	1,064,511,145
	Draw Twisted Yarn(DTY)			2,69,65,970	Nil
	Draw Texurise Yarn(DTEX)			2,46,56,858	Nil
	Others			58,56,125	33,886,663
				2,14,10,51,165	2,362,521,575
	<u>Traded Goods Sold</u>				
	Cloth			85,533,618	276,223,638
	Polyester Chips			83,22,562	25,727,784
				9,38,56,180	301,951,422
	Total			2,23,49,07,345	2,664,472,997
18	<u>Other Income</u>			For the year ended 31/03/2016 Rs.	For the year ended 31/03/2015 Rs.
	Interest Income			3,736,355	4,392,635
	Dividend Income on Non current investments			Nil	Nil
	Lease Rental Income			Nil	350,000
	Miscellaneous Income			6,520	55,617
	Foreign Exchange Gain/(Loss)			Nil	88,530



	Miscellaneous Balance w/off	63,015	153,351
	Total	3,805,890	5,040,133
19	<u>Cost of Raw Material Consumed & Finished Goods Purchased</u>	For the year ended 31/03/2016 Rs.	For the year ended 31/03/2015 Rs.
	Inventory at the beginning of the year	9,599,725	20,641,006
	Add: Purchase	1,407,683,709	1,605,862,708
	Less: Inventory at the end of the year	90,302,165	9,599,725
	Cost of Raw Material Consumed	1,326,981,269	1,616,903,989
	<u>Details of Raw Material Consumed</u>		
	Polyester Chips	1,292,960,105	1,548,436,898
	Other	34,021,164	68,467,091
		1,326,981,269	1,616,903,989
	<u>Details of Inventories</u>		
	Polyester Chips	76,123,628	3,321,200
	Other	14,178,537	6,278,525
	Total	90,302,165	9,599,725
	<u>Details fo Value of Imported & Indigenous Raw Material Consumed</u>		
	Particulars	Raw Materials	
		%	Value (Rs.)
		31/03/2016	31/03/2015
	I. Imported	2.81	2.36
	II. Indigenous	97.19	97.64
		100.00	100.00
		1,326,981,269	1,616,903,989
20	<u>Purchase of stock in Trade</u>	For the year ended 31/03/2016 Rs.	For the year ended 31/03/2015 Rs.
	Stock in Trade	82,273,802	268,398,249
		82,273,802	268,398,249
	<u>Details of Stock in Trade</u>		
	Cloth	74,509,637	244,694,886
	Others	7,764,165	23,703,363
	Total	82,273,802	268,398,249
21	<u>Change In Inventories Of Finished Goods,Work In Progress</u>	For the year ended 31/03/2016 Rs.	For the year ended 31/03/2015 Rs.
	<u>Inventory at the beginning of the year</u>		
	Work-in-Process	22,932,142	9,080,212
	Finished Stock	48,047,161	42,936,498
		70,979,303	52,016,710
	<u>Inventory at the end of the year</u>		
	Work-in-process	14,782,154	22,932,142
	Finished Stock	27,677,279	48,047,161



		42,459,433	70,979,303
	Decretion / (Accretion) to Stock	28,519,870	(18,962,593)
	<u>Details of Inventory</u>		
	Finished Goods		
	Partially Oriented Polyester Filament Yarn (POY)	19,940,106	18,639,884
	Fully Draw Yarn	6,929,885	29,407,277
	Others	807,288	Nil
		27,677,279	48,047,161
22			
	<u>Employee Benefit Expense</u>	For the year ended 31/03/2016 (Rs.)	For the year ended 31/03/2015 (Rs.)
	Salary, Wages & Bonus	60,348,495	54,088,590
	Contribution to Provident Fund & Other Funds	3,658,736	2,360,724
	Welfare Expenses	1,489,254	1,518,119
	Total	65,496,485	57,967,433
	As per revised Accounting Standard 15 "Employees Benefits" , the Company has recognized in the financial statements in respects of Employee Benefits Schemes as per Actuarial Valuation as on 31st March, 2015.		
	1. Amount of Defined Benefit Obligation in respect of Gratuity liability is recognized in the Balance Sheet as follows:		
	Particulars	2015-16 (Rs.)	2014-15 (Rs.)
	Present Value of Funded Obligations	4,843,192	4,362,287
	Fair value of plan assets	4,427,194	3,486,162
	Present value of unfunded obligations	Nil	Nil
	Unrecognized past service cost	Nil	Nil
	Net liability/(Asset)	415,997	876,124
	Amounts in the balance sheet:		
	Liabilities	4,843,192	4,362,287
	Assets	4,427,194	3,486,162
	Net liability/(Asset)	415,997	876,124
	2. Amount of defined benefit obligation in respect of Gratuity liability is recognized in the profit and Loss account as follows:		
	Particulars	2015-16 (Rs.)	2014-15 (Rs.)
	Current service cost	850,825	682,611
	Interest on obligation	333,833	338,614
	Expected return on plan assets	(334,844)	(296,468)
	Net actuarial losses / (gains) recognized in year 2011-2012	(583,682)	(78,537)
	Past service cost	Nil	Nil
	Adjustment to opening balance	Nil	Nil
	Losses / (Gains) on curtailments and settlement	Nil	Nil
	Total included in 'Employee Benefit Expense'	266,131	646,219
	3.Details of changes in the present value of the defined benefit obligation representing reconciliation of opening and closing balances thereof in respect of Gratuity are as follows:		
	Particulars	2015-16 (Rs.)	2014-15 (Rs.)



Opening Defined Benefit Obligation	4,362,287	3,851,316
Service cost	850,825	682,611
Interest cost	333,833	338,614
Actuarial losses (gains)	(564,790)	(102,785)
Losses (gains) on curtailments	Nil	Nil
Liabilities extinguished on settlements	Nil	Nil
Liabilities assumed in an amalgamation in the nature of Purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(138,963)	(407,469)
Closing defined benefit obligation	4,843,192	4,362,287

4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of gratuity are as follows:		
Particulars	2015-16 Rs.	2014-15 Rs.
Opening fair value of plan assets	3,486,163	2,876,121
Expenses deducted from fund	(72,402)	(54,710)
Expected return	334,844	296,468
Actuarial gains and (losses)	18,892	(24,248)
Assets distributed on settlements	Nil	Nil

Contributions by employer	798,660	800,000
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil
Exchange differences on foreign plans	Nil	Nil
Benefits paid	(138,963)	(407,469)
Closing fair value of plan assets	4,427,194	3,486,162

5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Gratuity are as follows:		
Particulars	2015-16 (Rs.)	2014-15 (Rs.)
Government of India Securities	Nil	Nil
High quality corporate bonds	Nil	Nil
Equity shares of listed companies	Nil	Nil
Property	Nil	Nil
Policy of insurance	100%	100%
Bank Balance	Nil	Nil

6. Details of Principal actuarial assumptions at the balance sheet date in respect of Gratuity (expressed as weighted averages):		
Particulars	2015-16 (Rs.)	2014-15 (Rs.)
Discount rate as on 31-03-2015	7.95%	7.80%
Expected return on plan assets at 31-03-2015	7.95%	8.75%
Proportion of employees opting for early retirement	Nil	Nil
Annual increase in Salary costs	6.00%	6.00%

7. Details of Defined benefit pension plans for the current and previous periods are as follows:					
Particulars	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
Defined Benefit	4,843,192	4,362,287	3,851,316	3,468,810	2,998,269



Obligation					
Plan assets	4,427,194	3,486,162	2,876,121	1,802,682	1,000,000
Surplus / (deficit)	(415,997)	(876,124)	(975,195)	(1,666,128)	(1,998,269)
Experience adjustments on plan liabilities	(489,539)	(654,133)	(68,759)	6,310	66,340
Acturial Loss/ (Gain) due to change in assumption	(75,251)	551,348	(358,781)	Nil	Nil
Experience adjustments on plan assets	(18,892)	24,248	11,185	(14,576)	Nil
The expected benefits are based on the same assumptions used to measure Group's gratuity obligations as at 31st March, 2016. The Company is expected to contribute Rs.4,16,000/- to gratuity funds for the year ended 31st March,2017.					
The Disclosure requirement as required by Accounting Standard 15 of " Leave Encashment " is as follows					
1. Amount of Defined Benefit Obligation in respect of Leave Encashment is recognized in the Balance Sheet as follows:					
Particulars	2015-16 (Rs.)		2014-15 (Rs.)		
Present Value of Funded Obligations	Nil		Nil		
Fair value of plan assets	Nil		Nil		
Present value of unfunded obligations	4,808,426		3,809,770		
Unrecognized past service cost	Nil		Nil		
Net liability	4,808,426		3,809,770		
Amounts in the balance sheet:					
Liabilities	4,808,426		3,809,770		
Assets	Nil		Nil		
Net liability/(Asset)	4,808,426		3,809,770		
2. Amount of Defined Benefit Obligation in respect of Leave Encashment is recognized in the profit and Loss account as follows:					
Particulars	2015-16 (Rs.)		2014-15 (Rs.)		
Current service cost	1,606,080		1,351,629		
Interest on obligation	286,738		227,328		
Expected return on plan assets	Nil		Nil		
Net actuarial losses / (gains) recognized in year	(894,162)		(623,799)		
Past service cost	Nil		Nil		
Losses / (Gains) on curtailments and settlement	Nil		Nil		
Total included in 'Employee Benefit Expense'	998,656		955,158		
Actual Return on Plan Assets					
3.Details of changes in the present value of the Defined Benefit Obligation representing reconciliation of opening and closing balances thereof in respect of Leave Encashment are as follows:					
Particulars	2015-16 (Rs.)		2014-15 (Rs.)		
Opening Defined Benefit Obligation	3,809,770		2,854,612		
Service cost	1,606,080		1,351,629		
Interest cost	286,738		2,27,328		
Actuarial losses (gains)	(894,162)		(623,799)		
Losses (gains) on curtailments	Nil		Nil		



Liabilities extinguished on settlements	Nil	Nil			
Liabilities assumed in an amalgamation in the nature of Purchase	Nil	Nil			
Exchange differences on foreign plans	Nil	Nil			
Benefits paid	Nil	Nil			
Closing defined benefit obligation	4,808,426	3,809,770			
4. Details of changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof in respect of Leave Encashment are as follows:					
Particulars	2015-16 (Rs.)	2014-15 (Rs.)			
Opening fair value of plan assets	Nil	Nil			
Expected return	Nil	Nil			
Actuarial gains and (losses)	Nil	Nil			
Assets distributed on settlements	Nil	Nil			
Contributions by employer	Nil	Nil			
Assets acquired in an amalgamation in the nature of purchase	Nil	Nil			
Exchange differences on foreign plans	Nil	Nil			
Benefits paid	Nil	Nil			
Closing fair value of plan assets	Nil	Nil			
5. Details of the major categories of plan assets as a percentage of total plan assets in respect of Leave Encashment are as follows:					
Particulars	2015-16 (Rs.)	2014-15 (Rs.)			
Government of India Securities	0.00%	0.00%			
High quality corporate bonds	0.00%	0.00%			
Equity shares of listed companies	0.00%	0.00%			
Property	0.00%	0.00%			
Policy of insurance	0.00%	0.00%			
Bank Balance	0.00%	0.00%			
6. Details of Principal actuarial assumptions at the balance sheet date in respect of Leave Encashment (expressed as weighted averages):					
Particulars	2015-16 (Rs.)	2014-15 (Rs.)			
Discount rate	7.95%	7.80%			
Expected return on plan assets	-	-			
Proportion of employees opting for early retirement	-	-			
Annual increase in Salary costs	6.00%	6.00%			
Future changes in maximum state health care benefits Employment Market	-	-			
7. Details of Defined benefit pension plans for the current and previous periods are as follows:					
Particulars	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
Defined Benefit Obligation	4,808,426	3,809,770	2,854,612	3,220,687	2,608,036
Plan assets	Nil	Nil	Nil	Nil	Nil
Surplus / (deficit)	(48,08,426)	(3,809,770)	(2,854,612)	(3,220,687)	(2,608,036)



	Experience adjustments on plan liabilities	(832,697)	(854,047)	(776,354)	(301,198)	1,235,036
	Experience adjustments on plan assets	Nil	Nil	Nil	Nil	Nil
	Actuarial Loss/ (Gain) due to change in assumption	(61,465)	230,248	(627,905)	84,032	(75,152)
	Actuarial Loss/ (Gain) due to participant experience	(832,697)	(854,047)	(776,354)	(301,198)	1,235,036
	Actuarial Loss/ (Gain) on Liabilities	(894,162)	(623,799)	(1,404,260)	(217,166)	1,159,884
	Net Actuarial Loss/ (Gain) for the year	(894,162)	(623,799)	(1,404,260)	(217,166)	1,159,884
	8. Details of Movement in Net Liability recognized in balance sheet date in respect of Leave Encashment are as follows:					
	Particulars	2015-16 (Rs.)		2014-15 (Rs.)		
	Net Opening Liability	3,809,770		2,854,612		
	P&L Change	998,656		955,158		
	Contribution Paid	Nil		Nil		
	Benefits Paid by the Company	Nil		Nil		
	Closing Net Liability	4,808,426		3,809,770		
23	<u>Finance Costs</u>	For the year ended 31/03/ 2016 (Rs.)		For the year ended 31/ 03/ 2015 (Rs.)		
	Interest to Bank	27,740,102		46,417,960		
	Other Interest	1,875,721		2,876,618		
	Other Borrowing Cost	8,028,028		8,921,460		
	Total	37,643,850		58,216,038		
24	<u>Depreciation And Amortisation Expense</u>	For the year ended 31/ 03 / 2016 Rs.		For the year ended 31/03/ 2015 Rs.		
	Depreciation of Tangible Assets	58,876,160		66,201,661		
	Total	58,876,160		66,201,661		
25	<u>Other Expense</u>	For the year ended 31/03/2016 (Rs.)		For the year ended 31/03/2015 (Rs.)		
	Stores & Spares consumed	28,712,835		33,908,085		
	Packing material consumed	70,333,662		65,690,429		
	Electricity & Fuel charges	172,310,302		166,867,121		
	Repairs To:					
	Building	1,022,282		1,916,621		
	Machinery	3,216,117		3,884,785		
	Other	2,086,168		1,576,135		
	Sub Total	6,324,567		7,377,541		
	Insurance Expense	1,438,338		1,901,671		



	Rent	2,66,000	1,08,000		
	Rates & Taxes	4,902,120	2,171,824		
	Stationery & Printing Expense	5,67,570	5,72,199		
	Selling & Distribution Expenses	25,623,120	25,796,522		
	Advertisement Expenses	75,404	65,345		
	Communication Expense	4,14,927	3,77,977		
	Traveling & Conveyance Expense	3,798,570	3,901,513		
	Legal & Professional Expenses	2,405,829	1,483,457		
	Freight & Delivery charges	10,597,412	10,603,077		
	Increase/(decrease) of excise duty on Inventory	(2,219,371)	565,907		
	Auditor's Remuneration:				
	Audit Fees	350,000	350,000		
	In other capacity	50,000	50,000		
	For Tax Audit	50,000	50,000		
	Sub Total	450,000	450,000		
	Commission paid	3,608,167	3,601,369		
	Donation Expense	3,600,000	1,000,000		
	Loss/(Gain) on Sales of Fixed Assets (Net)	(246,578)	1,437,147		
	General Charges	10,182,034	7,751,170		
	(Including Factory Exps, Laboratory Expense, Office & Misc.Expenses Admn. Charges, Service and Custodial Charges etc.)				
	Total	3,43,144,908	3,35,630,354		
	Details of Value of Imported & Indigenous Stores, Components & Spare parts consumed				
	Particulars	Stores, Components & Spare parts			
		%		Value (Rs.)	
		31/03/2016	3/31/2015	31/03/2016	31/03/2015
	i. Imported	20.83	10.49	5,979,713	3,557,953
	ii. Indigenous	79.17	89.51	22,733,122	30,350,132
		100.00	100.00	28,712,835	33,908,085

26 CONTINGENT LIABILITIES:

Sr. No.	Particulars	2015-16 Rs.	2014-15 Rs.
a)	Letters of Credit Outstanding	19,342,438	9,897,169
b)	Income Tax demands disputed in appeal by the Company/ Income Tax Authorities (Against which the Company has paid amount of Rs.1,23,979/- (PY. Rs.1,23,979/-)	43,182,290	27,176,024
c)	Excise Duty demands disputed in appeal by the Company/ Excise Authorities (Against which the Company has paid amount of Rs.501,472/- (PY. Rs. 801,472/-)	212,767,346	216,295,515
d)	The Gujarat value Added tax disputed demand in Appeal by company (Against which the Company has paid amount of Rs.Nil (PY. Rs.1,469,152/-)	Nil	1,469,152
e)	Textile Cess Demands disputed pending with Textiles Committee, Government of India, Ministry of Textiles.	5,090,119	5,090,119



Sr. No.	Particulars	2015-16 Rs.	2014-15 Rs.
f)	Service Tax demand disputed in appeal by the Company/Authority (Against which the Company has paid amount of Rs.Nil (PY. Rs.1,006,091/-)	1,336,011	2,342,101
g)	Claims not acknowledged as debts by the company	112,500	112,500
h)	Show Cause Notices received from various authorities	24,10,200	2,518,151
i)	Bank Guarantee	Nil	256,179
j)	Employees Demands pending before Labour Courts	Amount not ascertainable	Amount not ascertainable
k)	In respect of restructured debts under CDR Mechanism, the banks will have right to recompense in respect of waivers / sacrifice made by them under CDR Restructuring	Amount not ascertainable	Amount not ascertainable

27 Particulars of Prior Period expense debited to respective head of expenditure:-

Particulars	31-03-2016	31-03-2015
(i) Employee Benefit	9,483	Nil
(ii) Finance Cost	321,436	Nil
(iii) Other Expense	68,697	51,829
Total	399,616	51,829

28 Based on the principles for determination of segments given in Accounting Standard 17 “Segment Reporting” issued by the Institute of Chartered Accountants of India, the company has identified it’s business segment as primary segment. “Others” represents income from Trading of Cloth and Polyester Chips. There is no reportable secondary segment as none of the conditions as laid down for determining the geographical segments are satisfied:

Particulars	Yarns	Others	Total
	31-03-16	31-03-16	31-03-16
Revenues	1,923,939,011 (2,153,914,385)	94,273,098 (276,223,638)	2,018,212,109 (2,430,138,023)
Unallocable Revenue			69,535 (647,498)
Total Revenue			2,018,281,644 (2,430,785,520)
Segment Result	100,989,854 (68,036,732)	11,999,296 (36,609,695)	112,989,150 (104,646,427)
Interest and Finance Charges			37,643,850 (58,216,038)



Particulars	Yarns	Others	Total
	31-03-16	31-03-16	31-03-16
Interest Income			3,736,355 (4,392,635)
Income from Investments			Nil (Nil)
Total Profit Before Tax			79,081,654 (50,823,024)
Taxes			24,319,158 (10,655,047)
Net income after taxes			54,762,496 (40,167,977)
Assets	1,424,188,939 (1,463,526,852)	78,687,934 (97,044,353)	1,502,876,873 (1,560,571,205)
Unallocable Assets			12,228,039 (21,277,075)
Total Assets			1,515,104,912 (1,581,848,280)
Liabilities	866,342,548 (1,003,217,364)	65,368,952 (Nil)	931,711,500 (1,003,217,364)
Unallocable Corporate Liabilities			Nil (Nil)
Total Liabilities			931,711,500 (1,003,217,364)
Capital Expenditure	25,808,995 (14,274,494)	Nil (Nil)	25,808,995 (14,274,494)
Depreciation	58,876,160 (66,201,661)	Nil (Nil)	58,876,160 (66,201,661)
Non-cash expenses	Nil (Nil)	Nil (Nil)	Nil (Nil)



29 Earning Per Share

Particulars	31-03-2016	31-03-2015
Numerator used for calculating Basic and Diluted Earning Per Share (Profit After Tax)	54,762,496	40,167,977
Nominal Value per Share	10	10
Weighted Average No. of Shares used as denominator for calculating Basic and Diluted Earning Per Share	1,35,50,000	1,35,50,000
Basic and Diluted earning per share	4.04	2.96

30 Related Party Disclosures

a) Key Management Personnel

Sr. No.	Name	Designation
1	Shri Jyotiprasad Chiripal	Chairman
2	Shri Vedprakash Chiripal	Director
3	Shri Pooransingh	Wholetime Director
4	Shri Pradip Khandelwal	CEO
5	Shri Satish Bhatt	CFO

b) List of Related Parties with whom transactions have taken place during the year

Sr. No.	Name
1	Chiripal Industries Ltd.
2	Vishal Fabrics Pvt. Ltd.
3	Milestone Educom Trust

c) Relatives of Key Management Personnel

Sr. No.	Name	Relation
1	Smt. Urmilaben J. Chiripal	Wife of Chairman

d) Details of Transactions with Key Management Personnel and Related Parties of the Key Management Personnel are as follows:

(Amount in Rs.)

Sr. No.	Nature of Transaction	Key Management Personnel	Related Parties	Relatives of Key Management Personnel	Total
1	Unsecured Loans				
	Taken During the year	Nil (Nil)	Nil (Nil)	Nil (Nil)	Nil (Nil)
	Repaid During the year	Nil (Nil)	10,00,000 (92,842,300)	Nil (Nil)	10,00,000 (92,842,300)
	Balance as at Balance Sheet Date	Nil (Nil)	Nil (1,000,000)	Nil (Nil)	Nil (1,000,000)
2	Expenditure				



Sr. No.	Nature of Transaction	Key Management Personnel	Related Parties	Relatives of Key Management Personnel	Total
	Donation Expense	Nil	36,00,000	Nil	36,00,000
		(Nil)	(10,00,000)	(Nil)	(10,00,000)
	Purchase of Goods, Packing Material & Stores	Nil	10,03,77,759	Nil	10,03,77,759
		(Nil)	(8,38,73,255)	(Nil)	(8,38,73,255)
	Job work Charges	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
	Interest Expenditure	Nil	334,812	Nil	334,812
		(Nil)	(245,914)	(Nil)	(245,914)
	Purchase of Fix Asset	(Nil)	18,15,029	Nil	18,15,029
		(Nil)	(17,79,133)	(Nil)	(17,79,133)
	Rent Expense	(Nil)	Nil	150,000	150,000
		(Nil)	(Nil)	(Nil)	(Nil)
3	Income Received				
	Job work Income	Nil	1,18,09,086	Nil	1,18,09,086
		(Nil)	(1,38,34,434)	(Nil)	(1,38,34,434)
	Interest Income	Nil	Nil	Nil	Nil
		(Nil)	(Nil)	(Nil)	(Nil)
4	Stock in trade				
	Sale of Goods	Nil	61,48,133	Nil	61,48,133
		(Nil)	(60,53,949)	(Nil)	(60,53,949)
	Sale of Capital Assets	Nil	12,67,264	Nil	12,67,264
		(Nil)	(Nil)	(Nil)	(Nil)
	Balance as at Balance Sheet Date	(Nil)	Nil	Nil	Nil
		(Nil)	(31,88,900)	(Nil)	(31,88,900)
5	Remuneration Paid	33,84,621	Nil	Nil	33,84,621

Note : List of transaction, out of the transactions reported in the above table, where the transactions entered in to with single party exceed the 10% of the total related Party transactions of similar nature are as under :

Amount in Rs.

1. Unsecured Loan

Repaid during the Year:-

- NPL Power Pvt. Ltd.	1,000,000
	(92,842,300)

2. Expenditure :-

Donation Expense:-

- Chiripal Charitable Trust	Nil
	(1,000,000)
- Milestone Educom Trust	3,600,000
	(Nil)

Purchase of Goods, Packing Material and Stores :-

- Chiripal Industries Ltd	9,687,096
	(24,211,578)



	Vishal Fabrics Pvt. Ltd.	90,690,663 (59,586,227)
	Interest Expense:-	
	- Vishal Fabrics Pvt. Ltd.	334,812 (245,914)
	Purchase of Fix Asset:-	
	- Chiripal Industries Ltd	1,815,029 (1,779,133)
	Rent Expense:-	
	- Urimilaben Chiripal	150,000 (Nil)
3.	Income Received :-	
	Job work Income:	
	- Chiripal Industries Ltd.	11,809,086 (13,834,434)
4.	Stock in trade :-	
	Sale of Goods	
	- Chiripal Industries Ltd.	6,115,090 (6,053,949)
	Sale of Capital Goods	
	- Vishal Fabrics Pvt. Ltd.	1,267,264 (Nil)
5.	Remuneration Paid:-	
	Shri Pradip Khandelwal	25,97,507
	-	(Nil)
	Shri Satish Bhatt	7,22,275
	-	(Nil)
31	Impairment of Asset	
	During the year, the company has impaired it's all assets to the tune of Rs. Nil (Previous Year Rs.Nil)	
32	Borrowing costs attributable to the acquisition or construction of Qualifying Assets amounting to Rs. Nil (Previous Year Rs. Nil) is capitalized by the company	
33	The amount of Exchange Difference	
	Credited to Profit and Loss Account Rs 386,020/-	
	(Previous Year Credited to Profit and Loss Account Rs 88,530/-)	
34	Balance in Current Account with Scheduled Banks includes Rs. Nil/- (Previous Year Rs. Nil/-) in the unpaid dividend account with various banks.	

**35 C.I.F. Value of Imports includes:-****(Amount in Rs)**

Sr. No.	Particulars	2015-16	2014-15
1	Raw Materials	39,074,520	37,866,102
2	Stores and Spares	5,979,713	4,108,687
3	Capital Goods	3,967,476	5,345,541

36 Expenditure in Foreign Exchange**(Amount in Rs)**

Sr. No.	Particulars	2015-16	2014-15
1	Traveling Expense	Nil	Nil

37 Earning in Foreign Exchange :**(Amount in Rs)**

Sr. No.	Particulars	2015-16	2014-15
1	FOB Value of Exports	Nil	Nil

38 The figures of the previous year have been regrouped and rearranged wherever considered necessary.

Note: Previous year's figures have been shown in brackets.

Signature to Notes "1" to "38"

As per our report of
Even date attached herewith

For, J T Shah & Company
Chartered Accountants
[FRN.No.109616W]

[J T Shah]
Partner
[M.No.3983]
Place : Ahmedabad
Date : 23/05/2016

For, CIL Nova Petrochemicals Limited

Chairman

Director

Company Secretary



CIL NOVA PETROCHEMICALS LTD.			
SEGMENT REPORTING FY 2015-16			
Particulars	Yarns	Others	Total
Segment Revenues	1,923,939,011	94,273,098	2,018,212,109
Unallocable Revenue			69,535
Total Revenue			2,018,281,644
Segment Result	100,989,854	11,999,296	112,989,150
Interest and Finance Charges	37,643,850	Nil	37,643,850
Interest Income			3,736,355
Income from Investments			Nil
Total Profit Before Tax			79,081,654
Taxes			24,319,158
Net income after taxes			54,762,496
Assets	1,424,188,939	78,687,934	1,502,876,873
Unallocable Assets			12,228,039
Total Assets			1,515,104,912
Liabilities	866,342,548	65,368,952	931,711,500
Unallocable Corporate Liabilities	Nil	Nil	Nil
Total Liabilities	931,711,500	Nil	931,711,500
Capital Expenditure	25,808,995	Nil	25,808,995
Depreciation	58,876,160	Nil	58,876,160
Other Non-cash expenses	Nil	Nil	Nil



MATERIAL DEVELOPMENTS

There have been no developments since March 31, 2016, which effect the operations, performance, prospects or financial condition of our Company.



WORKING RESULTS

In accordance with circular no.F.2/5/SE/76 dated February 5, 1977 issued by the Ministry of Finance, Government of India, as amended by Ministry of Finance, Government of India through its circular dated March 8, 1977, the information relating to the working results for the period between the last date of the financial statements and up to the end of the last but one month preceding the date of the Letter of Offer will be updated in the Letter of Offer to be filed with the Stock Exchange.

Working results of our Company for the period from April 1, 2016 to May 31, 2016:

Particulars	Amount Rs. in Lakh
Sales / Turnover	3784.40
Other Income	4.50
Estimated gross profit / (loss) (excluding depreciation and taxes)	225.82
Provision for depreciation	85.49
Provision for taxes	31.66
Estimated net profit / loss	108.67

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF OUR COMPANY

Except as disclosed in the section titled “*Material Developments*” on page 88 of the DLOO, there are no material changes and commitments, if any affecting the financial position of our Company.



ACCOUNTING AND OTHER RATIOS

Particulars	For the year ended	
	31-Mar-16	31-Mar-15
Net Profit after tax	5,47,62,496	4,01,67,977
Less: Preference Dividend & Dividend tax	-	-
Less: Minority Interest (Profit)/loss	-	-
Net Profit / (Loss) after Tax (After Minority Interest) (A)	5,47,62,496	4,01,67,977
Net Worth (B)	17,24,99,979	12,77,37,483
Less: Preference Share Capital	-	500,00,000
Net Asset Value/Book Value for Equity Shares (C)	17,24,99,979	7,77,37,483
Return on Net Worth (%) (A/C)	31.75	51.67
No. of Shares at the end of Year /Period (D)	1,35,50,000	1,35,50,000
Weighted Average No. of Shares at the end of Year /Period (E)	1,35,50,000	1,35,50,000
Weighted Average Diluted No. of Equity Shares (F)	1,35,50,000	1,35,50,000
Basic Earnings Per Share (Rs) (A/E)	4.04	2.96
Diluted Earnings Per Share (Rs) (A/F)	4.04	2.96
Net Asset Value/Book Value per Equity Share of Rs. 10 each (C/D)	12.73	5.74

Notes: Definition of Ratios:**Formulae:**

Basic Earnings Per Share

Diluted Earnings Per Share

Return on Net Worth (%)

Net Asset Value Per Share

Net Worth

Particulars

Net Profit after tax / Total number of equity shares outstanding during the year

Net profit after tax attributable to equity shareholders (including dilutive earnings, if any) / Weighted number of diluted equity shares outstanding during year

Net Profit after tax / Networth at the end of the year

Net Worth at the end of the year/ Total number of equity shares outstanding during the year

Equity share capital + Preference Capital + Reserves (excluding Revaluation Reserves)



CAPITALISATION STATEMENT

The capitalization statement of our Company as at March 31, 2016 as adjusted post the Issue is as follows:

(Rs. in Lacs)

Particulars	Pre-Issue Standalone 31-Mar-16	As adjusted for the Issue*
Debt:		
Short Term Debt [A]	1,654.42	[•]
Long Term Debt (Including current maturities of long term Debts) [B]	2,071.88	[•]
Total Debt: (C) [A+B]	3,726.29	[•]
Shareholders Fund:		
Share Capital	1,355.00	[•]
Share Capital Issued through the Rights Issue	-	[•]
Reserve and Surplus (excluding Revaluation Reserve)		
--Capital Reserve	500.00	[•]
--Securities Premium	1,189.70	[•]
--General Reserve	211.78	[•]
--Surplus in Statement of Profit and Loss	(1,531.48)	[•]
Total Shareholders Fund (D)	1,725.00	[•]
Debt / Equity Ratio: (Long Term Debt/Shareholders Fund (B/D))	1.20	[•]
Debt / Equity Ratio: (Total Debt/Shareholders Fund (C/D))	2.16	[•]

**To be included in the Letter of offer*



MARKET PRICE INFORMATION

The Equity Shares of our Company are listed and traded on both the stock exchanges i.e NSE and BSE. Stock market data have been given separately for both exchanges.

We have received in-principle approval for listing of the Equity Shares to be issued pursuant to this Issue from the NSE and BSE vide its letter dated [●] and [●] respectively .

1. The high and low of the closing prices recorded on NSE and BSE for the preceding three years and the number of Equity Shares traded on the days the high and low of the closing prices were recorded are stated below:

NSE							
Year ending March 31	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of equity shares)	Average price for the year (Rs)
2014	24	28.03.2014	990	18	03.02.2014	200	19.85
2015	34.95	12.05.2014	1,700	14.5	08.09.2014	1615	20.89
2016	52	09.10.2015	5,230	17.05	09.04.2015	763	29.09

(Source: www.nseindia.com)

BSE							
Year ending March 31	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of equity shares)	Average price for the year (Rs)
2014	24.5	31.03.2014	612	9.51	25.10.2013	100	13.94
2015	35.6	9.05.2014	1,390	14.1	30.03.2015	1,875	21.17
2016	56.65	12.10.2015	2,557	17.55	17.04.2015	2,119	29.02

Notes:

- a) High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares for the year;
 - b) Average price is the average of the daily closing prices of the Equity Shares for the year;
 - c) In case of two days with the same high/low/closing price, the date with the higher volume has been considered;
- 2 Monthly high and low closing prices on the NSE and BSE for the six months preceding the date of filing of the Draft Letter of Offer is as stated below:

NSE							
Month	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of equity shares)	Average price for the month (Rs)
Nov-15	34.95	02.11.2015	325	28.65	24.11.2015	416	30.21
Dec-15	35.8	10.12.2015	104	28.5	02.12.2015	5400	31.69
Jan-16	36.45	07.01.2016	89	30	01.01.2016	459	34.24
Feb-16	34.15	01.02.2016	2	29	16.02.2016	151	31.86
Mar-16	31	02.03.2016	200	25.7	28.03.2016	372	28.78
Apr-16	36	29.04.2016	102	24.5	11.04.2016	350	30.06
May-16	37	26.05.2016	15	28.55	13.05.2016	404	33.07

(Source: www.nseindia.com)



CIL NOVA PETROCHEMICALS LIMITED

BSE							
Month	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of equity shares)	Average price for the month (Rs)
Nov-15	32.4	03.11.2015	1	30	19.11.2015	352	30.38
Dec-15	34.65	04.12.2015	21	29	28.12.2015	450	31.06
Jan-16	43.4	14.01.2016	598	30.6	01.01.2016	1,00,701	36.94
Feb-16	40.4	19.02.2016	1,080	34.2	09.02.2016	52	37.72
Mar-16	36.1	10.03.2016	150	22.75	30.03.2016	10	28.42
Apr-16	35	27.04.2016	250	23.85	05.04.2016	175	29.43
May-16	37.15	25.05.2016	337	28.5	16.05.2016	256	31.78

(Source: www.bseindia.com)

Notes:

- High price is the maximum of the daily high prices and low price is the minimum of the daily low prices of the Equity Shares for the month
 - Average price is the average of the daily closing prices of the Equity Shares for the month
 - In case of two days with the same high/low/closing price, the date with the higher volume has been considered.
- 3 Week end prices of Equity Shares of our Company for the last four weeks on the NSE and BSE along with the highest and lowest closing prices for the weeks are as below:

NSE						
For the week ended on	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of Equity shares)
27.05.2016	36.95	27.05.2016	198	35.15	27.05.2016	198
03.06.2016	32.75	03.06.2016	138	29.65	03.06.2016	138
10.06.2016	0	0	0	0	0	0
17.06.2016	33.00	17.06.2016	254	30	17.06.2016	254

(Source: www.nseindia.com); calendar weeks

BSE						
For the week ended on	High (Rs)	Date of High	Volume on date of high (No. of equity shares)	Low (Rs)	Date of Low	Volume on date of low (No. of Equity shares)
27.05.2016	0	0	0	0	0	0
03.06.2016	0	0	0	0	0	0
10.06.2016	0	0	0	0	0	0
17.06.2016	33	17.06.2016	1202	30.2	17.06.2016	1,202

(Source: www.bseindia.com); calendar weeks

The closing price of our Equity Shares as on May 20, 2016 the trading day immediately preceding the day on which the Board resolution was passed approving the Issue was Rs. 33.75 and Rs.34.65 on the BSE and NSE respectively. The market capitalization of our Equity Shares as on May 20, 2016, the trading day immediately prior to the date of the Board resolution was Rs. 4573.13 Lacs and Rs. 4695.08 Lacs on the BSE and NSE based on a closing market price of Rs. 33.75 and Rs.34.65 respectively.

(Source: www.bseindia.com; www.nseindia.com)



FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our outstanding financing arrangements:

The sanction amount of financial indebtedness, principal terms of security for loan and other related data as on March 31, 2016 are mentioned below:

A. Secured Loan from Banks

(Rs. In lakhs)

Name of Lender	Purpose	Sanction Amount	Rate of interest	Securities offered	Re-payment	Outstanding amount as on 31.03.2016
Secured Loans – For Working Capital						
State Bank of India	Cash Credit	900.00	12.80%	As Per Note 1	-	176.88
State Bank of India	Letter of Credit	800.00	-		-	562.20
State Bank of India	Bank Guarantee	55.00	-		-	-
Bank of Baroda	Cash Credit	400.00	12.90%		-	225.47
Bank of Baroda	Letter of Credit	655.00	-		-	689.86
Bank of Baroda	Bank Guarantee	55.00	-		-	-

Name of Lender	Purpose	Sanction Amount	Rate of interest #	Securities offered	Re-payment	Outstanding amount as per books of accounts
Secured Loans – Car Loan						
State Bank of India	Car Loan	8.00	10.44%	Hypothecation of Car	-	4.97
Tata Motors Finance Limited	Car Loan	31.00	10.48 %		-	29.48
ICICI Bank Limited	Car Loan	45.04	9.60%		-	22.46

Note 1: Security offered

(i) **Primary:** Hypothecation of entire chargeable current assets of the company including stocks of RM, SIP, FG, Stores & spares and receivables.

(ii) **Collateral:**

(a) **EM of Immovable Property (Factory Land & Buildings):** Total Area: 72202.83 Sq. Mtrs, Survey No. / House No. : 395/4, 396, Village / Town / City : Moraiya, Sarkhej Bavla Highway, Mandal / Taluk: Sanand, District : Ahmedabad, State : Gujarat, Pin Code: 382110,

(b) **Plant & Machinery:** Hypothecation of Plant & Machinery

(c) **Pledge of Shares & Bonds:**

S. No.	Particulars	Details
A	Name of Security Holder	Chiripal Exim LLP
	Relationship with Borrower	Guarantor
	Security Maturity date	31-Mar-2020
	Shares/Bonds	Shares
	Issuing Co / Branch Name	CIL Nova Petrochemicals Limited
	No. of Units & their Face value	27,00,000, Rs.2,70,00,000



CIL NOVA PETROCHEMICALS LIMITED

S. No.	Particulars	Details
A	Name of Security Holder	Devkinandan Corporation LLP
	Relationship with Borrower	Guarantor
	Security Maturity date	31-Mar-2020
	Shares/Bonds	Shares
	Issuing Co / Branch Name	CIL Nova Petrochemicals Limited
	No. of Units & their Face value	13,65,000, Rs.1,36,50,000

Note 2:

All Fund based and Non fund based, Joint and Several Guarantee by following parties.

1. Shri Vedprakash Chiripal
2. Shri Jyotiprasad Chiripal
3. Shri Brijmohan Chiripal
4. Chiripal Industries Limited

B. Unsecured Loans

(Rs. In Lacs)

Name of Lender	Purpose	Rate of interest	Outstanding amount
Bhushan Petrofiles Pvt Ltd	As per CDR Terms	Interest Free	2015

Restrictive Covenants

As per Sanction Letter undertaking had been submitted in favour of the Bank of the following effect that during the currency of Bank's credit facilities, the Company shall not without Bank 's permission in writing.

- Effect any adverse changes in Company's capital structure.
- Formulate any scheme of amalgamation or merger or reconstruction.
- Implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank.
- Enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other Bank, financial institution. Company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.
- Invest by way of share capital in or lent or advance funds to or place deposits with any other Company/firm/concern (including group companies/associates)/persons. Normal trade credit or security deposit in the normal course of business or advance to employees can, however be extended.
- Undertake guarantee obligations on behalf of any other Company/firm/person.
- Make any drastic change(s) in its management set-up.
- Enter into any contractual obligation of a long term nature or affecting the company financially to a significant extent.
- Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc.
- Undertake any trading activity other than the sale of products arising out of its own manufacturing operations.
- Sell or dispose off or create security or encumbrances on the assets charged to the Bank in favour of any other Bank, Financial institution, Company, firm, individual.
- Repay monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the Company/firm by way of deposits/loan/share application money etc.
- Declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank making all due and necessary provisions and till the financial position improves at the estimated/projected levels given by them.
- All unsecured loans / deposits raised by the company for financing a project are always subordinate to the loans of the banks/ financial institutions and should be permitted to be repaid only with the prior approval of the all the banks and the financial institution concerned



SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND OTHER DEFAULTS

Except as stated herein, there are no (i) pending litigation, suits, civil prosecution, criminal proceedings or tax liabilities against our Company, our Directors, our Promoters and Promoter Group (ii) defaults, non-payment of statutory dues, over dues to banks and financial institutions, defaults against bank and financial institutions by our Company (iii) there are no outstanding debentures, bonds, fixed deposits or preference shares issued by our Company (iv) outstanding proceedings initiated for economic or other offences against our company (v) disciplinary action taken by SEBI or any stock exchanges against our Promoters, our Directors or Promoter Group Companies (vi) Outstanding dues to creditors of our Company as determined to be material by the Company's Board of Directors in accordance with the SEBI Regulations and (vii) dues to small undertaking and other creditors. Further, as except disclosed in this section, our Board of Directors do not consider any other outstanding litigation or past penalties involving our Company, Promoter, Group Companies and Directors as material as of the date of this Draft Letter of Offer. Our Board of Directors considers dues owed by our Company to the small scale undertakings and other creditors exceeding Rs. 1 Lakh as material dues for our Company. This materiality threshold has been approved by our Board of Directors.

I. LITIGATIONS INVOLVING OUR COMPANY

A. Litigations against our Company

1. INCOME TAX

- a. The DCIT has filed ITAT Appeal No. 49/AHD-2008 for the A.Y. 2004-05. The ITAT passed order in which Rs. 63,66,750/- is not allowed as depreciation. Further ITAT has allowed Rs. 7,36,021/- as foreign travel expenditure, Rs. 15,166/- has been allowed on depreciation on electrical installation of software division, Rs. 3,02,832/- has been allowed as a loss on sale of capital asset and Rs. 32,77,800/- has been allowed u/s 36(i)(iii). Revenue's Appeal has been partly allowed.
- b. The company has received notice from ACIT (OSD), Range-1, Ahmedabad vide notice no. ACIT(OSD)/271(1)(c)/2013-14 dated 03/02/2014 for A.Y. 2011-12.

2. EXCISE

- a. The commissioner Excise has Appealed in High Court In Appeal No. 254 of 2014 with 25 of 2014 to 276 of 2014 at Ahmedabad challenging the order of CESTAT Ahmedabad for demanding Rs. 17,39,44,566/- in the matter of diversion of goods in 100% EOU supplied in open market.
- b. Stay under S/94/WZB/AHD/2010 has been granted by CESTAT Ahmedabad against order of the Commissioner Central Excise demanding NCCD POY issued for Captive Consumption. The amount demanded is Rs. 42,79,513/- and stay has been granted by CESTAT Ahmedabad against order of the commissioner Central Excise for exemption from NCCD. The amount demanded is Rs. 26,83,420/-.
- c. Assistant Commissioner Central Excise Div IV Ahmedabad II has call book show cause notice demanding Rs. 2,82,957/- for CENVAT Credit on outward freight paid to GTA.
- d. Commissioner Appeal Central Excise Div IV Ahmedabad II has call book show cause notice demanding Rs. 19,59,742/- for duty demand on scrap sales.
- e. Stay has been granted by CESTAT Ahmedabad against order of the commissioner Central Excise for duty demand on commission for Rs. 74,34,000/-.
- f. The Commissioner of Central Excise has Appealed in Appeal No. E/1065/2010 to CESTAT Ahmedabad for credit taken twice and the amount involved is Rs. 32,84,076/-.
- g. The Commissioner Excise has filed Appeal No. 2335 of 2009 in High Court at Ahmedabad challenging the order of CESTAT Ahmedabad for credit of NCCD taken on own invoices and on returned goods for Rs. 2,43,361/-.
- h. The Commissioner Excise has filed Appeal No. 638 of 2011 in High Court at Ahmedabad challenging the order of CESTAT Ahmedabad for credit of NCCD taken on own invoices for Rs. 71,43,146/-.
- i. Stay has been granted by CESTAT Ahmedabad against order of the Commissioner Central Excise for interest on duty reversal for Rs. 4,88,186/-.

3. SERVICE TAX

- a. Stay has been granted by CESTAT Ahmedabad against order of the commissioner Central Excise for wrongly availed service tax credit for Rs. 20,12,181/-.
- b. Assistant Commissioner Service Tax Div II has call book show cause notice demanding Rs.2,15,902/- on account of



CIL NOVA PETROCHEMICALS LIMITED

wrong utilisation of GTS Service Tax credit.

- c. Additional Commissioner of Central Excise Ahmedabad II has call book show cause notice on outward freight on GTA credit taken for Rs. 23,78,038/-.

4. TEXTILE CESS

- a. Appeal pending before Tribunal of Textile Committee, Mumbai for levy of Textile Cess demand of Rs. 45,64,597/- for period September 1995 to July 2001.
- b. Appeal pending before Tribunal of Textile Committee, Mumbai for levy of Textile Cess demand of Rs. 41,32,456/- for period August 2001 to March, 2004.
- c. Appeal pending before Tribunal of Textile Committee, Mumbai for levy of Textile Cess demand of Rs. 14,83,185/- for period April 2004 to March 2005.

B. Litigations by our Company

1. INCOME TAX

- a. The Company has filed Appeal to CIT(A) in Appeal No.CIT(A)-XI/313/DCIT.Cir-5/10-11 against order of the A.O., under section 143(3) r.w.s 147 of the I.T. Act, 1961 for the A.Y.2003-04 determining the appellants total income/loss at Rs.38,13,020/- as against loss of Rs.1,03,97,750/-. The Appeal is allowed.
- b. The company has field Appeal to CIT(A) in Appeal No. CIT(A)-XI/312/DCIT.Cir.5/10-11 against order of the A.O., under section 143(3) r.w.s 147 of the I.T. Act, 1961 for the A.Y.2004-05 determining the appellants total income as NIL as against loss of Rs. 9,59,87,357/-. The Appeal is allowed.
- c. The Company has filed Appeal to CIT(A)-XI in Appeal No. CIT(A)-XI/314/DCIT.Cir-5/10-11 against order of the DCIT Circle-5 dated 18/11/2010, for the A.Y.2005-06. The CIT(A)-XI passed an order allowing the A.O. to re-open the assessment, the CIT(A)-XI has allowed an expenditure of Rs.2961313/- u/s.40(a)(i), the CIT(A)-XI has partly allowed appellants Appeal with regard to Rs.198620/- u/s.14A of the Act, the CIT(A)-XI has allowed Rs.6655118/- on account of excessive depreciation and the CIT(A)-XI has partly allowed appellants Appeal with regard to issuance of notice u/s.148.
- d. The Company has filed Appeal to CIT(A)-II, Ahmedabad on 07/08/2012 for the A.Y. 2008-09 in Appeal no. 312 of 2008-09.
- e. The Company has filed Appeal to CIT(A)-III, Ahmedabad for the A.Y. 2009-10 in Appeal No. CIT(A)-III/ACIT.CIR-1/296/2012-13.
- f. The Company has filed Appeal to CIT(A)-II, Ahmedabad for the A.Y. 2010-11 in Appeal no CIT(A)-II/ACIT(OSD).C.-1/427/2013-14 against liability of Rs. 27,19,970

II. LITIGATION INVOLVING OUR GROUP COMPANIES

A. Litigations against our Group Companies

CHIRIPAL INDUSTRIES LIMITED

1. CESTAT

- a. Deputy Commissioner, Customs Division, Jamnagar has imposed penalty of Rs.90,000/- vide 31.3.2014 on the Company for non-production of original documents within the specified time in terms of PD Bond in the matter of import of Indonesian Steam Coal. The Company had preferred an Appeal against the said O-I-O being Appeal No. 250/ Commr.(A)/JMN/2014 before the Office of Commissioner of Customs (Appeals). The Appeal has been allowed thereby setting aside the penalty of Rs. 90,000/- which was imposed on the Company vide an Order dated 04.09.2014.
- b. The Company has filed Appeal at the Tribunal in Appeal No. E/577/07 against order of the Commissioner of Central Excise (Appeals-I), Ahmedabad for duty demanded. The approximate amount involved is Rs.60,24,437/-. The Appeal has been allowed vide order dated 21-05-2015.
- c. The Company has filed Appeal at the Tribunal in Appeal No. E/1165/2007 against order of Commissioner Appeals. The approximate amount involved is Rs.14,13,366/-. The Appeal has been allowed vide order dated 26-06-2015.
- d. The Commissioner, Central Excise, Ahmedabad has filed Appeal at the Tribunal in Appeal No. E/270/08-DB against order of Commissioner (Appeals I). The approximate amount involved is Rs. 38,91,104/-. The Appeal has been rejected vide order dated 31-10-2014.
- e. The Company has filed Appeal at the Tribunal in against order in Appeal No.251/2010(AHD-I)/CE/MM/COMMR.(A)/AHD. The approximate amount involved is Rs.19,10,807/-.
- f. The Company has filed Appeal and Stay Application before the Tribunal in Appeal No. E/1104/2013-EX(DB) &



- E/11048/2013-EX(DB) dated on 01/05/2013. The approximate amount involved is Rs.5,25,35,438/-. The Appeal has been allowed vide order dated 06-05-2015.
- g. The Commissioner, Central Excise, Ahmedabad-I filed Appeal at the Tribunal in Appeal No. E/10609/2013 against order of the Commissioner of Central Excise (Appeals I), Ahmedabad. The approximate amount involved is Rs.9,04,398/-.
 - h. The Additional Commissioner, Customs (Preventive), Jamnagar, has issued Show Cause Notice for assessment of correct classification and differential customs duty amounting to Rs. 23,41,103/- in the matter of Bill of Entry for bituminous coal. The Company filed an Appeal against the said O-I-O being Appeal No. JMN-CUSTM-000-APP-291-15-16 before the Office of Commissioner of Customs (Appeals), Ahmedabad. The Appeal was rejected vide Order dated 31.03.2016 thereby upholding the Order passed by the Additional Commissioner, Customs (Preventive), Jamnagar
 - i. The Commissioner, Central Excise, Ahmedabad I has preferred Appeal No. E/809/2007 against order of Commissioner(Appeals) I, Central Excise, Ahmedabad allowing the balance deemed CENVAT Credit of Rs. 40,25,955/- to the Company. The notice in the matter is to Shanti Processors Ltd, since merged with Chiripal Industries Ltd. The Appeal is rejected vide Order No. A/10943/2015 dated 26.06.2015.
 - j. The Commissioner, Central Excise and Customs, Ahmedabad has preferred Civil Application No. 456/2011 to the High Court of Gujarat against order of the CESTAT disallowing penalty of Rs. 29,89,162/-. The order in the matter is of Shanti Processors Ltd, since merged with Chiripal Industries Ltd.
 - k. CESTAT has granted stay to the operation of the order of the Commissioner of Central Excise, Ahmedabad I in Appeal No. E/655/2009, imposing a penalty of Rs. 1,29,79,625/- in the case of Cotton Hosi on Shanti Processors Ltd, since merged with Chiripal Industries Ltd.
 - l. CESTAT has remanded back Appeal No. E/114/10 of Priti Textile to the Asst. Commissioner to re-examine the original documents and deal with refund claim of the Company. The demand is for Rs. 3,67,822/- of which the Company has deposited Rs. 91,956/- being 25% of the demand. Priti Textile has since merged with Chiripal Industries Ltd.
 - m. Commissioner, Central Excise and Customs, Ahmedabad has preferred Tax Appeal No. 326/2009 to the High Court of Gujarat against order of the CESTAT disallowing refund claim of Rs. 7,62,652/- in the case of galleries portion. The order in the matter is of Priti Processors Ltd, since merged with Chiripal Industries Ltd. The Appeal is dismissed vide Order dated 11.03.2015 passed by the Hon'ble High Court of Gujarat at Ahmedabad.
 - n. Criminal Case No. 839/2000 has been filed before the Addl. Chief Judicial Magistrate, Gandhidham, by Commissioner of Customs, Kandla u/s 135 of the Customs Act against Chiripal Twisting and Sizing Pvt. Ltd. and its Directors. CESTAT has in Appeal No. C/37-38,78-80/97 set aside the penalty imposed. The name of the Company Chiripal Twisting and Sizing Pvt. Ltd. was changed to Chiripal Petrochemicals Ltd and thereafter to Chiripal Industries Ltd.
 - o. The show cause notice dated 12.04.2016 has been issued to Chiripal Industries Limited by office of the Principal Commissioner of Central Excise Ahmedabad for disallowing the credit taken on capital goods amounting to Rs. 1,07,04,079 further for charging interest and penalty on such amount as per Cenvat Credit Rules, 2004.
 - p. The show cause notice dated 25.06.2015 has been issued to Chiripal Industries Limited by office of the Principal Commissioner Of Central Excise Ahmedabad the amount involved in the show notice is around Rs. 1,85,47,063 for disallowing the credit taken on capital goods.

2. LABOUR CASES

- a. Case No. 139/2003 filed by Sukhdev Waghela before the Hon'ble PF Commissioner at Ahmedabad against retrenchment from services. The matter is pending for judgment.
- b. Case No. 09/2002 filed by Pradeep Mehta before the Hon'ble Judge of Labour Court at Ahmedabad against retrenchment from services. Pending for cross enquiry.
- c. Case No. 16/2009 filed by Pradeep Mehta before the Hon'ble Judge of Labour Court at Ahmedabad against retrenchment from services. Pending for cross enquiry.
- d. The claim amount in Case No. 09/2002 and 16/2009 filed by Pradeep Mehta before the Hon'ble Judge of Labour Court at Ahmedabad sums up to Rs. 5,15,200/-.
- e. Case No. (T)73/2008 filed by Bharat Parmabhai before the Hon'ble Judge of Labour Court at Ahmedabad against retrenchment from services. Pending for cross enquiry. The amount claimed is Rs. 25,000/-.
- f. Case No. P.W.627/2012 filed by Bharat Parmar before Hon'ble Judge of Labour Court at Ahmedabad claiming balance salary, overtime, bonus and leave encashment. Pending for cross enquiry.
- g. Case No. 122009 filed by Kanu Viram before Hon'ble Judge of Labour Court at Ahmedabad claiming balance salary, overtime, bonus and leave encashment. Pending for cross enquiry. The amount claimed is Rs. 1,50,000/-.
- h. Case No. (T)85/2011 filed by Mahendra Premnarayan Parihar before Hon'ble Judge of Labour Court at Ahmedabad claiming balance salary, overtime, bonus and leave encashment. Pending for cross enquiry.
- i. Case No. (T)86/2011 filed by Premnarayan Parihar before Hon'ble Judge of Labour Court at Ahmedabad claiming balance salary, overtime, bonus and leave encashment. Pending for cross enquiry.



CIL NOVA PETROCHEMICALS LIMITED

- j. Case No. P.W.452/2011 filed by Premnarayan Prihar& Other before Hon'ble Judge of Labour Court at Ahmedabad for compensation on death while in service. Pending for cross enquiry. The amount claimed is Rs. 84,806/-.
- k. Case No. WC6/2013 filed by Dinesh Rampati Patel before Hon'ble Judge of Labour Court at Ahmedabad for compensation on death while in service. Pending for cross enquiry. The amount claimed is Rs. 2,82,064/-.
- l. Case No. (T) 175/2008 filed by Arvind Singh Ridal Singh Paney before Hon'ble Judge of Labour Court at Ahmedabad claiming balance salary, overtime, bonus and leave encashment. Pending for cross enquiry. The amount claimed is Rs. 2,50,000/-.
- m. Case No. W.C.4209 filed by Rajnath Shrivastav before Hon'ble Judge of Labour Court at Ahmedabad for accidental compensation. Pending for cross enquiry. The amount claimed is Rs. 2,40,130/-

3. INCOME TAX

- a. The Company has filed Appeal No.02/04/2014 to CIT(A) for A.Y.2011-12 against order of the DCIT(OSD) Range-1, Ahmedabad u/s.143(3) of the I.T. Act, 1961 regarding addition of Rs. 21,96,690/-. The Appeal is partly allowed vide Order dated 27.01.2016.
- b. The Company has filed Appeal No. CIT(A) – VI/Addl. CIT, R-1/ 103/2011-12 Now – 47/CIT(A) -1 on 18/04/2013 to CIT(A) for A.Y.2010-11 against order of the ACIT Range-1, Ahmedabad u/s.143(3) of the I.T. Act, 1961 regarding addition and disallowance of Rs. 84,69,562/-. The Appeal is partly allowed in favour of the Company vide the Order dated 13.04.2015.
- c. Deputy CIT (OSD), Range 1, Ahmedabad has filed Appeal No. 1628/Ahd-2003 at the Tribunal for AY 2008/2009 against order of CIT (Appeals VI) passed u/s 143(3) of the I T Act.
- d. DCIT(OSD) Range-1, Ahmedabad has filed Appeal No. 400/Ahd/2011 for A.Y.2006-07 against the Company to revise the depreciation amount from 13,48,51,978 to 10,66,84,908 and delete the addition on account of income from sale of furniture of Rs. 19,77,276/- treating the same as Short term Capital Gain.
- e. The Company has filed Appeal to CIT(A) for A.Y.2012-13 against order of the DCIT, Circle 1(1) (2) Ahmedabad u/s.143(3) of the I.T. Act, 1961 regarding addition and disallowance of Rs. 8,68,044/-. The Appeal is partly allowed vide Order dated 29.03.2016.

NANDAN DENIM LIMITED (FORMERLY KNOWN AS NANDAN EXIM LIMITED)

1. CIVIL SUITS

- a. Special Suit No. 553 of 2013 has been filed by Suringbhai Ranchodbhai Thakore against the Company & others in City Civil Court, Ahmedabad for cancellation of false sale deed of land.
- b. Special Civil Suit No. 185/2012 is filed against company by Laxmiben ShakrabhaiBhoi before the Court at Ahmedabad for declaration cancellation of document, recovery of possession and compensation and for permanent injunction. The suit is valued at Rs. 8,91,00,600/-.
- c. Civil Suit No. 773/2012 is filed against company by Viraji ShanajiThakore& Others before the Court at Ahmedabad for declaration cancellation of document, and for permanent injunction. The suit is valued at Rs. 2,50,600.00 plus interest.

2. CRIMINAL

- a. M Case No. 2/2012 in criminal inquiry No.72/2012 has been filed against the Company by Kanchanben J. Vijay widow of Vijay Viraji Thakore before the Court of Hon'ble Additional Judge of Ahmedabad (Rural) at Ahmedabad for offence under sections 406, 420, 465, 468, 457, 506(2), 323, 114, 120(b) of Indian Penal Code in the Matter of sale of land.
- b. M. Case No. 1/2012 in criminal inquiry No.69/2012 has been filed against the Company by Vikram Shakrabhai Bhoi before the court of Hon'ble Additional Judge of Ahmedabad (Rural) at Ahmedabad for offence under sections 406, 420, 465, 468, 471, 457, 506(2), 323, 114, 120(b) of Indian Penal Code in the matter of sale of land.
- c. Application No. 1859/2012 filed by two employees of the Company against State of Gujarat. It is an anticipatory bail which has been granted with conditions.

3. LABOUR

- a. In the Application No. 97/2009 to the Judge of Labour Court, Ahmedabad it has been ordered that the Company do reinstate Nitin Revabhai Patel whose services had been illegally terminated.
- b. A recovery application No. 327/2012 under Industrial Disputes Act for Rs.60,000/- plus costs has been filed in Labour Court, Ahmedabad by Nitin Revabhai Patel in dated 25/07/2012. The amount involved ` 65,000/-.
- c. Recovery application No. 10/2013 under Industrial Disputes Act for Rs.15,286/- plus costs has been filed in Labour



- Court, Ahmedabad by Nitin Revabhai Patel.
- d. In Payment of Wages Application No. 818/2009 to the appropriate authority under payment of Wages Act it has been ordered that the Company do pay Rs. 14,586/- plus Rs.700/- as cost to Nitin Revabhai Patel.
 - e. Petition No. 458/2012 has been filed in Labour Court, Ahmedabad by Gopal Shriram Bansi Shah claiming salary, special allowance, over time, bonus, paid leave and outstanding salary. The approximate amount involved is 1,07,740/-.
 - f. Petition No. 90/2009 has been filed in Labour Court, Ahmedabad by Hiren Panchal claiming reinstatement of service with back wages for unreasonably and illegally terminating the applicant by adopting unfair labour practice.
 - g. Petition 258/2013 has been filed in Labour Court, Ahmedabad by Ramesh Arvindbhai claiming special allowance, leave salary, double salary of overtime, bonus, notice pay and unemployment compensation. The approximate amount involved is 41, 000/-.
 - h. The Application No. 82/2014 filed by Savitaben Shanabhai Bariya before the Hon'ble Labour Court at Ahmedabad claiming that her signature was obtained on blank paper, purported to be the resignation letter, by force.
 - i. The Application No. 81/2014 filed by Rajubhai Ambalal Marathi before the Hon'ble Labour Court at Ahmedabad claiming that he had been discharging his duties diligently and faithfully since the last one year as a worker.
 - j. The Application No. 108/2014 filed by Babubhai Chaturbhai Parmar before the Hon'ble Labour Court at Ahmedabad claiming that the company was having grudge against him as he had joined Maha Gujarat Mill Majdur Union (SITU).
 - k. The Application No. 71/2014 filed by Umaben KesavRavat before the Hon'ble Labour Court at Ahmedabad claiming salary for the period she remained absent The approximate amount involved is Rs.1,50,000/-.
 - l. The Application No. 131/2013 filed by Arun Dukhi Pasvan and other workmen before the Hon'ble Labour Court at Ahmedabad claiming outstanding salary and other rights and other benefits although he has not worked directly or indirectly with the company.
 - m. The Application No. 22/2014 filed by Bijendrasinh Sundersinh Rajput before the Hon'ble Labour Court at Ahmedabad claiming that he was discharging his duties since the last six years as security guard.
 - n. The Application No. 9/2014 filed by Bhikabhai Balabhai Chauhan before the Hon'ble Labour Court at Ahmedabad claiming that the company was having grudge against him as he had joined Maha Gujarat Mill Majdur Union (SITU).

4. INCOME TAX

- a. The Dy. CIT, Circle 5, Ahmedabad has filed ITAT Appeal No.1260/AHD-2011 for the A.Y. 2008-09 against order of CIT(A) regarding deletion of disallowance of interest of Rs.13,11,030/- u/s.14A and Rs.6,19,251/- being depreciation on car. The Deputy Commissioner of Income Tax, Circle 3(1)(1), Ahmedabad has sought to reopen the case and has passed order dated 30.06.2015 u/s 143(3) of the Act and has added to the income Rs. 38,36,025/- as disallowance u/s 43A of the Act and has sought to levy penalty u/s 271(1)(c) r/w section 274 of the Act. The company has challenged the order and preferred appeal to the CIT (Appeals) 9, Ahmedabad.
- b. The Company has filed ITAT Appeal No. CIT(A) - XI/135/13-14 for the A.Y. 2009-10 regarding Part disallowance u/s 14A of Rs. 3,11,516/- and prior period expenditure of Rs.59,76,398/-
- c. The Company has filed Appeal to the CIT(Appeals) for the A.Y. 2009-10 regarding addition in respect of TUFF Interest Subsidy of 96,92,369/- which was levied vide notice u/s 148 of the Act and reassessment proceedings u/s 143(3) r.w.s.147 of the Act were completed on 20/03/2015.
- d. The ACIT, Circle 5, Ahmedabad has filed ITAT Appeal No. 2039/AHD-2013 for the A.Y. 2010-11 regarding deletion of disallowance of Rs. 12,87,372/- of Interest u/s 14 A r.w.r 8D of the I.T. Rules and deletion of the disallowance of Rs. 8,40,988/- being depreciation on motor cars not owned by the company.
- e. The Company has received a notice u/s. 143(2) on 07/08/2013 for the A.Y.2012-13 from ACIT Circle-5, Ahmedabad. Matter is to be adjudicated by the Assessing officer.

5. EXCISE

- a. Refund application for Rs. 11,13,007/- has been filed with Assistant Commissioner of Customs (Refunds) CR-I, JNCH, Nhavasheva in order in Appeal Nos.503,504 &505 in connection with exemption of VAT.
- b. Refund application for Rs.29,18,285/- has been filed with Assistant Commissioner of Customs(Refunds) CR-I, JNCH, NhavaSheva in Appeal Nos.515 to 521 in connection with exemption of VAT.
- c. Deputy Commissioner of Customs Gandhinagar has filed Appeal in tribunal. Company has field cross-objection. The amount involved is Rs. 83,04,022/-, for exemption of CVD on Indigo Blue.
- d. Assistant Commissioner of Central Excise, Ahmedabad has issued show cause notice for erroneous sanction of duty rebate for Rs. 5,14,545/- which has been replied by the company.
- e. Assistant Commissioner of Central Excise, Ahmedabad has filed revision application before Joint Secretary, Ministry of



CIL NOVA PETROCHEMICALS LIMITED

Finance, for Rs. 31,73,265/- against order No. 203, 204 and 205/2008 of the Commissioner (Appeals), Central Excise, Ahmedabad. The company has received Rs. 16,52,399/- towards duty rebate claim.

- f. The Company has filed Revision Application No. 312/30.09.2009 before Joint Secretary Ministry of Finance against order in Appeal passed by Commissioner (Appeals-I), Central Excise, Ahmedabad in the matter of duty rebate claim for Rs. 4,22,834/-.

VISHAL FABRICS LIMITED

1. CIVIL SUIT

Summary Suit No. 371/2013 filed by Kachrabhai Hatisingh Shah against the Company in City Civil Court, Ahmedabad for recovery of Rs. 4, 57,378/- for dyeing and job work done.

2. LABOUR MATTERS

- a. Petition No. 192/1992 filed before the Labour Court of Ahmedabad by Jethabhai Kachrabhai pertaining to Workmen Compensation Act. The claim amount has been settled by the Insurance Company but the workman has demanded interest and penalty of Rs. 60,000/- approximately from the company.
- b. Petition No.377/2012 filed before Labour Court Ahmedabad, by Paresh Ramabhai Patel claiming reinstatement of services has been since withdrawn as services have been reinstated. Final order for disposal is awaited.
- c. Reference No. (L.C.A.) 1029/2010 filed in Labour Court, Ahmedabad by Navratan Manibhai Joshi for illegal retrenchment and claiming reinstatement.

3. CUSTOM

Deputy Commissioner of Customs, Customs Division, Jamnagar has imposed a penalty of Rs. 90,000/- u/s.117 of Custom Act, 1962. On Appeal, Office of the Commissioner of Customs (Appeals) Jamnagar has vide Order dated 04.09.2014 has allowed the Appeal and set aside the Order imposing penalty of Rs. 90,000/-

4. EXCISE

- a. The Company has preferred Special Leave Petition (Civil) No. 3190/2009 with application for condonation of delay in filing of SLP filed by the Company, before the Supreme Court of India. The Supreme Court of India has set aside the impugned order of the High Court of Gujarat in SCA No. 9843/2008 dated 28.08.2008 by its order dated 03.08.2009 and has remitted back to the High Court for de novo consideration. The amount involved was Rs. 11,41,668/- (2001-02 to 2004-05).
- b. Appeal No. 6/2009 by the Company is filed before the Textile Cess Appellate Tribunal, Mumbai against notice of demand dated 23.09.2009 by Textile Committee imposing cess of Rs. 6,33,617/- for the period from 2004-05 to 2006-07. The appeal is pending before the Textile Cess Appellate Tribunal, Mumbai.

5. INCOME TAX

The company has filed an Appeal No. 476/2013-14 to CIT(A) Ahmedabad for A.Y.2011-12 against order passed u/s 143(3) by the DCIT(OSD) CIR.8, Ahmedabad disallowing Rs. 2,70,69,861/- The Appeal has been allowed by the Office of Commissioner of Income Tax (Appeals XIV) Ahmedabad vide its Order dated 10.10.2014. The Income Tax Department may challenge the Order dated 10.10.2014 by appealing to the Income Tax Tribunal

SHANTI EDUCATIONAL INITIATIVES LIMITED

1. Civil Suit: Nil

2. Labour matters: Nil

3. Customs: Nil

4. Criminal: Nil

The Company has received letter no. IVD/ID4/TIL/200497/10 dated 31.03.2010 from Securities and Exchange Board of India (SEBI) in connection with dealings in the shares of Teledata Informatics Ltd. The Company replied to the same and appeared for a personal hearing before the Investigating Authority on 13.07.2010. Thereafter SEBI sought additional information vide letter dated 19.07.2010 which was submitted by the Company on 21.7.2010.

B. Litigations by our Promoter Group Companies



CHIRIPAL INDUSTRIES LIMITED

1. UNDER NEGOTIABLE INSTRUMENTS ACT, 1881

- a. The Company has filed a criminal complaint against Rajesh Sinha, proprietor of Tirupati Agencies for Rs. 2,34,477/- in case No.27407/2007 in the Court of Chief Judicial Magistrate, Ahmedabad.
- b. The company has filed a criminal complaint against Pravin Goyal, Proprietor of New Ashoka Fabrics for Rs. 7,59,861/- in case No. 1921/08 in the Court of the Civil Judge, Ahmedabad.
- c. The Company has filed a criminal complaint against Yogesh Modani, proprietor of Solomio for Rs. 5,43,400/- in case No.1311/2010 in the Ahmedabad Rural Metropolitan Magistrate Court.
- d. The company has filed Criminal Complaint No. 1867/2013 in the Court of Chief Judicial Magistrate Ahmedabad against Daus Packaging for recovery of Rs.6,42,946 /-.
- e. The company has filed Criminal Complaint No. 6336/2013 in the Court of Addl. Chief Magistrate Ahmedabad against S Karunkarra Tapes for recovery of Rs. 4,81,324/-.
- f. The company has filed Criminal Complaint No.1794/2011 in the Court of Chief Judicial Magistrate Ahmedabad (Rural) against R.P. Trading for recovery of Rs. 3,74,000/-.
- g. The company has filed criminal complaint Nos.554/2013 and 555/2013 in the Court of Chief Magistrate Ahmedabad against Triveni Adhesive Tapes for recovery of Rs. 11,72,000/-.
- h. The company has filed Criminal Complaint No. 23/2013 in the Court Ahmedabad Rural Chief Metropolitan Magistrate's under sections 420 and 506 of Indian Penal Code against R. N. Sahani for Rs. 6,10,000/-.

2. CIVIL SUITS

- a. The Company has filed Summary Suit No. 13/2014 in the Court of Civil Judge Ahmedabad against Culture Clothing for recovery of Rs.9,28,956/-.
- b. The Company has filed Summary Suit No. 20/2014 in the Court of Chief Judicial Magistrate Ahmedabad, against BOPP Tapes for recovery of Rs.1,10,288/-.
- c. The Company has filed Summary Suit No 4821/2012 in the Court of Chief Judicial Magistrate Ahmedabad against Sakaria Brothers for recovery of Rs.11,70,500/-.
- d. The Company has filed Special Summary Suit No. 33/14 in the Court of the 5th Add. Sr. Civil Judge, Ahmedabad against Indus Fila Ltd. for recovery of Rs. 1,05,60,470/- against return of cheques.
- e. The Company has Appealed to the High Court, Ahmedabad under Appeal No. 63/2013 against order of District Judge Ahmedabad against Shobhanaben Shantilal and Ors for injunction and right of way for the suit premises being Gate No. T.P. 125, Survey No. 172+173A & 172+173B, Plot No. 196, Gopalpur, Pirana Road, Piplej, Ahmedabad.

3. CESTAT

The Company has preferred Appeal No. CA-1/2013 with the Commissioner (Appeals), Customs, Mumbai III against order of the Assistant Commissioner of Customs, Air Cargo Complex, Sahar, imposing Rs. 4,91,803/- as duty drawback recoverable as the Company had not submitted Bank Realization Certificates pertaining to Garment Exports.

4. WEALTH TAX

The company has filed Appeal No. 11/12/2013 1 to CIT(A) of Wealth Tax, Ahmedabad against order passed on 22/11/2013 by Wealth Tax Officer u/s.16(3) r.w.s. 17(1) for A.Y.2008-09. The addition is of Rs.4, 98,01,421/-.



NANDAN DENIM LIMITED (FORMERLY KNOWN AS NANDAN EXIM LIMITED)

1. CIVIL SUITS

- a. Summary Suit No. 2264/2011 has been filed by the Company against Fair Washing Company & others in The City Civil Court, Ahmedabad for recovery of Rs.27,47,348/- plus interest.
- b. Suit No. 6/2011 has been filed by the Company against M/s Taj Garments in the City Civil Court, Ahmedabad for recovery of Rs.1,52,663/- plus interest.
- c. Suit No. 7/2011 has been filed by the Company against S.M. Apparels & others in The City Civil Court, Ahmedabad for recovery of Rs. 7,00,723/- plus interest.

2. INSURANCE

Petition filed by the Company against Employees State Insurance Corporation, Ahmedabad on 05/04/2013 in Application No. 49/2010 at Employees Insurance Court, Gujarat, Ahmedabad. The approximate amount involved is Rs. 15,77,616/- .

3. NEGOTIABLE INSTRUMENTS ACT, 1881

- a. The company has filed case against Resham Impex and Sakil Akil Pathan in case no. 14152/08. The amount involved is Rs. 2,05,550/-. Summons is issued.
- b. The company has filed cases against Alankit textile Pvt. Ltd. in case No.6674/09 & 9431/09. The amount involved is Rs.3,00,000/-. Bailable warrant is issued.
- c. The company has filed a case against Pitamber Creation (i) P. Ltd. in case No.7466/09. The amount involved is Rs. 8,32,064/-. Non-bailable warrant is issued.
- d. The company has filed a case against Simplex Trading Syndicate in case No.7467/09. The amount involved is Rs.15,54,148/-. Bailable warrant is issued -
- e. The company has filed a case against Rajendra Khandelia, proprietor of Nectex in case No. 15083/10. The amount involved is Rs.2,68,195/- .
- f. The company has filed a case against Tanushri Textile in case No.65/2011. The amount involved is Rs. 13,21,804/- .
- g. The company has filed a case against Vishal International & Export Pvt. Ltd. in case No.3501/2011. The amount involved is Rs.6,04,707/- .

4. INCOME TAX

- a. The Company has filed Appeal No. CIT(A) – XI/135/13-14 to CIT(A) to CIT(A) against order under section 271(1)(c) of the ACIT, Circle-5, Ahmedabad, for A.Y.2009-10 imposing penalty of Rs.17,92,919/- and disallowance of prior period expenditure of Rs.59,79,398/-.
- b. The Company has filed Appeal No. 476/2013-14 to CIT(A) in CIT(A) – XI/476/13-14 for the A.Y.2012-2013 against order u/s.143(3) of the I.T. Act, 1961 on addition of Rs.9,36,422/- u/s.14A and disallowance of depreciation on motor car of Rs. 1,20,553/- and disallowance of prior period expenditure of Rs.1,06,240/- and disallowance of insurance expenses of Rs.19,601/- and addition of Rs.12,46,960/- for job work income and disallowance of Rs.1,25,082/- u/s.36(i)(iii) and in charging of interest u/s 234B.
- c. The Company has filed Appeal for the A.Y.2012-13 against order u/s.143(3) of the I.T. Act, 1961 on addition of Rs.1,25,082/- disallowed, being proportionate interest expenses as per the provisions of Section 36 (1) (iii) and disallowance of Rs. 9,36,422/- u/s. 14A and disallowance of PF of Rs. 5,87,036/- and disallowance of depreciation on vehicles of Rs. 1,20,553/- and disallowance of Prior Period Expense of Rs. 1,06,240/- and disallowance of the New Car Insurance Expense debited to the Profit & loss Account of Rs. 19,601
- d. The Company has filed Appeal to CIT(A) against order u/s 271(1)(c) of the Act dated 22-04-2016 for A.Y. 2011-12 imposing penalty of Rs.5,05,674/-.

5. ARBITRATION:

The Company has filed Petition IAAP/1/16 before the Hon'ble High Court of Gujarat at Ahmadabad against K.S.R Freight Forwarders (P) Ltd. in the matter under section 11 the Arbitration and Conciliation Act, 1996 and mainly for



CIL NOVA PETROCHEMICALS LIMITED

appointment of sole Arbitrator and restraining K.S.R Freight Forwarders (P) Ltd. from dispossessing, destroying, damaging the goods of the Company. The Company has called upon K.S.R Freight Forwarders (P) Ltd. to pay an amount of Rs. 74,21,265/- towards the value of goods, interest, expense and damage before the Hon'ble High Court of Gujarat at Ahmadabad against K.S.R Freight Forwarders (P) Ltd. in the same.

Earlier the Company had filed Special Civil Application no. 18590 of 2015 b subject matter. Vide order dated 8.01.2016 the said Special Civil Application no. 18590 of 2015 was allowed to be withdrawn in view of filing of the aforesaid Petition IAAP/1/16.

VISHAL FABRICS LIMITED

INCOME TAX

- a The Company has filed Appeal against order under section 143 (3) of the Act, for A.Y.2012-13 holding that profit on sale of steam was not eligible for direction u/s. 80IA of the Act.
- b The Company has filed Appeal against order under section 143 (3) of the Act, for A.Y.2013-14 holding that profit of Rs. 1,95,15,953/- on sale of steam was not eligible for direction u/s. 80IA of the Act.
- c The company has filed an Appeal No. 476/2013-14 to CIT(A) Ahmedabad for A.Y.2011- 12 against order passed u/s 143(3) by the DCIT(OSD) CIR.8, Ahmedabad disallowing Rs. 2,70,69,861/- out and deduction claimed u/s 80IA. Assessed tax liability is Rs. 7,30,110/-
- d Appeal to the Commissioner of Income Tax (Appeals) has been filed for the AY 2012-13 and AY 2013-14 by the Company for TDS amounting to Rs. 64,50,872.

SHANTI EXPORTS PVT. LTD

Appeal numbers 414, 415 and 416 filed by the Sales Tax Commissioner of Gujarat in the Hon'ble Gujarat High Court against the Tribunal's orders for stay have been rejected and refund of Rs. 6,95,87,721/- plus interest to the company is due for the Assessment years 2003-04, 2004-05 and 2005-06.

SHANTI EDUCATIONAL INITIATIVES LIMITED

- 1 **Civil Suit:** Nil
- 2 **Labour matters:** Nil
- 3 **Custom:** Nil
- 4 **Criminal:** Nil

The Company has received letter no. IVD/ID4/TIL/200497/10 dated 31.03.2010 from Securities and Exchange Board of India (SEBI) in connection with dealings in the shares of Teledata Informatics Ltd. The Company replied to the same and appeared for a personal hearing before the Investigating Authority on 13.07.2010. Thereafter SEBI sought additional information vide letter dated 19.07.2010 which was submitted by the Company on 21.7.2010.

III. LITIGATIONS INVOLVING OUR PROMOTERS

A. Litigations against our Promoters

Mr. Vedprakash Chiripal

1. CIVIL SUITS

- a. Special Civil Suit No. 185/2012 is filed against Mr. Vedprakash Chiripal by Laxmiben Shakrabhai Bhoi and Otrs before the Court at Ahmedabad for declaration cancellation of document, recovery of possession and compensation and for permanent injunction. The suit is valued at Rs. 8,91,00,600/-.
- b. Civil Suit No. 773/2012 is filed against Mr. Vedprakash Chiripal by Viraji Shanaji Thakore & Others before the Court at Ahmedabad for declaration cancellation of document, and for permanent injunction. The suit is valued at Rs. 2,50,600 plus interest.

2. CRIMINAL

- a. M. Case No. 2/2012 in criminal inquiry No.72/2012 has been filed against Mr. Vedprakash Chiripal by Kanchanben J. Vijay widow of Vijay Viraji Thakore before the Court of Hon'ble Additional Judge of Ahmedabad (Rural) at Ahmedabad for offence under



CIL NOVA PETROCHEMICALS LIMITED

sections 406, 420, 465, 468, 457, 506(2), 323, 114, 120(b) of Indian Penal Code in the Matter of sale of land.

- b. M. Case No. 1/2012 in criminal inquiry No.69/2012 has been filed against Mr.Vedprakash Chiripal by Vikram Shakrabhai Bhoi before the court of Hon'ble Additional Judge of Ahmedabad (Rural) at Ahmedabad for offence under sections 406,420,465,468,471,457,506(2),323,114,120(b) of Indian Penal Code in the matter of sale of land.

3. SEBI Matter:

Sr. No.	Forum	Case No.	Parties to proceedings	Brief particulars	Quantum (Rs. approx.)	Current Status
1.	Securities and Exchange Board of India		SEBI Vs Vedprakash Chiripal, Chairman, Nova Petrochemicals Limited	SEBI issued a notice dated September 11, 2009, bearing no. A&E/MK/IVD/NPL/176753/2009, under Rule 4 SEBI (Procedure for holding enquiry and imposing penalties by Adjudicating Officer) Rules, 1995 to Vedprakash Chiripal, Chairman, Nova Petrochemicals Limited, in respect of alleged irregularity in the trading in shares of Nova Petrochemicals Limited, resulting in possible violations of the provisions of regulation 3 (c&d), regulation 4(1), 4(2) (k & r) of SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to securities market) Regulations, 2003 and read with section 12A (a, b & c) of the Securities and Exchange Board of India Act, 1992 and regulation 3(ii) of SEBI (Prohibition of Insider Trading) Regulations, 1992 read with section 12A(e) of SEBI Act, 1992. In respect of the same, cause was to be shown as to why an enquiry should not be held in terms of Rule 4 of the SEBI (Procedure for holding enquiry and imposing penalties by Adjudicating Officer) Rules, 1995 and why penalty should not be imposed under section 15HA and 15G(ii) of the SEBI Act, 1992.	-	SEBI, <i>vide</i> letters dated December 24, 2009, bearing no. A&E/MK/IVD/NPL/188656/2/2009, issued a notice under Rule 4 SEBI (Procedure for holding enquiry and imposing penalties by Adjudicating Officer) Rules, 1995 addressed to Mr. Vedprakash Chiripal, Chairman and Managing Director, Nova Petrochemicals Limited and letter dated December 24, 2009, bearing no. A&E/MK/IVD/NPL/188656/1/2009 issued to Nova petrochemicals Limited, called for a personal appearance at the office of SEBI at Ahmedabad. Nova Petrochemicals Limited <i>vide</i> an email dated January 5, 2010, sought extension of time up till January 20, 2010 to file a reply in the matter. Further a consent application has been filed with respect to the pending adjudication proceedings initiated <i>vide</i> show cause notice A&E/MK/IVD/176449/2009 dated September 10, 2009 and proceedings pending before the Hon'ble SAT in appeal No. 4 of 2010 against SEBI order dated January 12, 2010. A personal hearing was granted before IC on July 13, 2010 and revised consent/settlement terms and agreed to pay Rs. 1000000 in terms of settlement terms on July 16, 2010.

IV. LITIGATION INVOLVING OUR DIRECTORS (OTHER THAN PROMOTERS)

A. Litigations Against Our Directors



NIL

B. LITIGATIONS BY OUR DIRECTORS (OTHER THAN PROMOTERS)

NIL

V. OTHER MATERIAL OUTSTANDING LITIGATION INVOLVING OUR COMPANY

Details of other legal proceedings, determined to be material by our Board of Directors and currently pending involving our company are set forth below. Pursuant to the SEBI Regulations, for the purposes of disclosure, all other pending litigation involving our company, Directors, Promoters, Group Companies and Subsidiaries, other than criminal proceedings, statutory or regulatory actions and taxation matters, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending matter is in excess of Rs. 200 Lacs, or 10 % of the net profits after tax of our Company for Fiscal Year 2015, whichever is higher and such cases are material from the perspective of the business, operations, prospects or reputation of our Company.

PENALTIES LEVIED UPON OUR COMPANY / PROMOTER / PROMOTER GROUP COMPANIES IN THE PAST FIVE YEARS CIL NOVA PETROCHEMICALS LIMITED

1. On June 01, 2009 Securities and Exchange Board of India ("SEBI") issued a Show Cause Notice ("SCN") to Nova under Section 11, 11(4), 11B of Securities and Exchange Board of India Act, 1992 read with SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003 (hereinafter referred to as 'PFUTP') for alleged violation of Section 12A of PFUTP. The Company was advised to reply within 21 days of the receipt of SCN. Nova vide letter dated June 26, 2009 sought extension of one month to reply to the SCN, however it failed to reply to the SCN. Thereafter reminder letter dated July 13, 2009 and August 12, 2009 were issued to Nova to reply to the SCN. Again vide letter dated August 19, 2009 Nova sought extension till September 15, 2009, to file its submission, but failed to do so. The Whole Time Member of SEBI on January 12, 2010 passed an order restraining Nova from buying, selling and dealing or accessing the securities market directly or indirectly in any manner whatsoever for a period of two years from the date of the order. Nova filed an application with the Securities Appellate Tribunal on January 27, 2010 against the order of whole time member of SEBI passed on January 12, 2010. On June 07, 2010 the SAT dismissed the appeal of Nova.
2. An oral prayer was made by Nova to stay the operation of the order to enable them to move the Supreme Court; the SAT directed that the operation of order shall remain in abeyance till July 12, 2010. Subsequently the SAT on July 12, 2010 dismissed the application of abeyance. SEBI vide its letter dated April 07, 2011 granted permission for listing of shares of CIL on BSE Limited citing the reference of the order passed by The Hon'ble High Court of Gujarat on March 21, 2011 advising SEBI to list the Shares of CIL by granting relaxation under rule 19(2)(B) of Securities Contracts (Regulation) Rules 1957. Further, SEBI clarified that, for any purpose other than listing, the SEBI order dated January 12, 2010 will be in operation.
3. CNPL has not faced any suspension on the BSE and NSE for any listing agreement non-compliance. However, CNPL, prior to the scheme of arrangement – the erstwhile Nova Petrochemicals Limited had received a Show Cause Notice dated September 10, 2009 for failure to make disclosure under regulation 7(3) and regulation 8(3) of the SEBI (SAST) Regulations, 1997. After the Scheme of Arrangement. The company requested for a Consent Order vide its letter dated April 16, 2010 and the same was passed with a consent term of Rs. 10,00,000/- (Rs.5,00,000 payable by CIL Nova Petrochemicals Ltd. and GSL Nova Petrochemicals Ltd. each) on April 10, 2013.

Material Developments

In the opinion of the Board, other than as disclosed in the Notes to our Financial Statements in the section "**Financial Statements**" on page 55 and in the section "**Material Developments**" on page 88 of this DLOO, there has not arisen, since the date of the last financial statements set out herein, any circumstance that materially or adversely affects our profitability taken as a whole or the value of our consolidated assets or our ability to pay our material liabilities over the next 12 months.

Amounts due to small scale undertakings

The Company has not received any memorandum (as required to be filed by the Supplier with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31st March 2011 as Micro, Small or Medium Enterprises. Consequently the amount paid / payable to these parties during the year is NIL. Further, there is no small scale undertaking or any other creditor to whom the Company owes a sum exceeding Rs. 1 lakh which is outstanding for more than thirty (30) days.

Adverse Events

There has been no adverse event affecting the operations of our Company occurring within one year prior to the date of filling Draft Letter of Offer with the Registrar of Companies.



GOVERNMENT AND OTHER APPROVALS

Our Company has obtained necessary consents, licenses, permissions and approvals from the governmental and regulatory authorities that are required for carrying on the present business. Some of the approvals and licenses that our Company requires for its present business operations may expire in the ordinary course of business, and our Company will apply for their renewal from time to time. Our Company undertakes to obtain all approvals, licenses, registrations and permissions required to operate its business.



OTHER REGULATORY AND STATUTORY INFORMATION

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on May 23, 2016 pursuant to Section 62 of the Companies Act, 2013. The Issue Price of Rs. [●]/- for the Equity Shares has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approval from the NSE for listing of the Equity Shares to be allotted in the Issue pursuant to their letter dated [●].

Our Company has received in-principle approval from the BSE for listing of the Equity Shares to be allotted in the Issue pursuant to their letter dated [●].

RBI Approval for Renunciation

Our Company proposes to apply to the RBI for seeking approval for renunciation of the Rights Entitlement by (a) an Equity Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Equity Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Equity Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs).

Prohibition by SEBI, RBI or Other Governmental Authorities

Our Company, the Promoter, the members of the Promoter Group, the Directors and the persons in control of our Company have not been prohibited from accessing or operating the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

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

Prohibition by RBI

None of our Company, the Promoters and the members of the Promoter Group have been identified as wilful defaulters by the RBI or any other governmental authority.

Securities Related Business

No action has been initiated by SEBI against any of our Directors or any entity with which our Directors are involved either as promoters or directors.

Eligibility for the Issue

Our Company is a listed company and was incorporated under the provisions of Companies Act, 1956. The Securities of our Company are presently listed on the BSE and NSE. It is eligible to offer securities pursuant to this Issue in terms of Chapter IV of the SEBI Regulations.

Compliance with Part E of Schedule VIII of SEBI Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part E of Schedule VIII of the SEBI Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the listing agreement



for the last three years immediately preceding the date of filing of the Draft Letter of Offer with SEBI.

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

As our Company satisfies the conditions specified in Clause (1) of Part E of Schedule VIII of SEBI Regulations, disclosures in this Letter of Offer have been made in terms of Clause (5) of Part E of Schedule VIII of the SEBI Regulations.

Compliance with Regulation 4(2) of the SEBI Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI Regulations, to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI Regulations, our Company undertakes to make an application to NSE and BSE for listing of the securities to be issued pursuant to this Issue. BSE shall be the Designated Stock Exchange.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HEM SECURITIES LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 05, 2016 WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:
 - (A) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;



- (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE, AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
- (C) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013 TO THE EXTENT APPLICABLE, THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITER TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN WILL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER - NOT APPLICABLE.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER/ LETTER OF OFFER - NOT APPLICABLE.
7. WE UNDERTAKE THAT SUB-REGULATION 4 OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO OUR COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE - NOT APPLICABLE.
8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE "OBJECTS" LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 40 (3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK



EXCHANGES MENTIONED IN THE DRAFT LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION - NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO OUR COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE SEBI REGULATIONS.

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE.
11. WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:
 - (A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF OUR COMPANY; AND
 - (B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTERS EXPERIENCE ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON “PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)”, AS PER THE FORMAT SPECIFIED BY THE BOARD THROUGH CIRCULAR – NOT APPLICABLE
17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF OUR COMPANY INCLUDED IN THIS DRAFT LETTER OF OFFER.

THE FILING OF THIS DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.



Disclaimer clauses from our Company and the Lead Manager

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

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Securities, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

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

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Equity Shares and rights to purchase the Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian Laws and the applicable rules and regulations there under. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Ahmedabad only.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, the Auditor, the Lead Manager, the Legal Counsel, the Registrar to the Issue and experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer. M/s. J. T. Shah & Co., Chartered Accountants, the Auditors of our Company, have given their written consent for the inclusion of their report in the form and content appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer.

Further, M/s. J. T. Shah & Co., Chartered Accountants have given their written consent for inclusion of the statement of tax benefit in the form and context in which they appear in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer.

Expert Opinion

Other than as disclosed in the section titled, ***“Financial Information” and “Statement of Tax Benefits”*** on page 55, and page 41 of the Draft Letter of Offer, no expert opinion has been obtained by our Company in relation to the Issue.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue will be BSE.

Disclaimer Clause of the NSE

As required, a copy of this Draft Letter of Offer will be submitted to NSE. The disclaimer clause as intimated by NSE to us, upon completion of its review of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing the Letter of



Offer with the Stock Exchange.

Disclaimer Clause of the BSE

As required, a copy of this Draft Letter of Offer will be submitted to BSE. The disclaimer clause as intimated by BSE to us, upon completion of its review of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing the Letter of Offer with the Stock Exchange.

Selling Restrictions

The distribution of the Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making the Issue of Equity Shares on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Draft Letter of Offer and CAFs only to Eligible Equity Shareholders who have provided an Indian address.

No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of the Draft Letter of Offer or any other material relating to our Company, the Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that the Draft Letter of Offer has been filed with SEBI.

Accordingly, the Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of the Draft Letter of Offer or any offering materials or advertisements in connection with the Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

The Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

If the Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Equity Shares or the Rights Entitlement referred to in the Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and additional Equity Shares or accepting any provisional allotment of Equity Shares, or making any offer, sale, resale, pledge or other transfer of the Equity Shares or Rights Entitlement.

Neither the delivery of the Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

Each person who exercises Rights Entitlement and subscribes for Equity Shares or excess Equity Shares, or who purchases Rights Entitlement or Equity Shares shall do so in accordance with the restrictions set out below.

The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said Equity Shares or rights. Accordingly, the Draft Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. person" (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing Draft Letter of Offer / Abridged Letter of Offer and CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Equity Shares and wishing to



CIL NOVA PETROCHEMICALS LIMITED

hold such Equity Shares in registered form must provide an address for registration of the Equity Shares in India. Our Company is making this issue of Equity Shares on a rights basis to its Eligible Equity Shareholders and the Draft Letter of Offer / Abridged Letter of Offer and CAF will be dispatched to Eligible Equity Shareholders who have an Indian address.

Any person who acquires rights and the Equity Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a “U.S. person” (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorised to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any CAF which: (i) does not include the certification set out in the CAF to the effect that the subscriber is not a “U.S. person” (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the US and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations; (ii) appears to our Company or its agents to have been executed in or dispatched from the US; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Equity Shares or Rights Entitlement in respect of any such CAF.

For further details please refer to the section entitled “*Notice to Overseas Shareholders*” on page 6 of this Draft Letter of Offer.

Filing

This Draft Letter of Offer has been filed with the Corporation Finance Department of SEBI, located at Ahmedabad for its observations. After SEBI gives its observations, the final Letter of Offer will be filed with the Designated Stock Exchange as per the provisions of the Companies Act.

Issue Related Expenses

The Issue expenses include, amongst others, lead management fees, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees. The estimated expenses of the Issue are as follows:

Particulars	Expense (In Rs. Lacs)	Expense (% of the total expenses)	Expense (% of the Issue size)*
Fees of Lead Manager, Registrar to the Issue, Legal Advisor, Auditors' Fees etc.	[●]	[●]	[●]
Advertising & marketing expenses, printing, stationery, distribution, etc.	[●]	[●]	[●]
Others (including but not limited to Stock Exchange fees, depository Fees and SEBI filing fees and other miscellaneous)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

*Will be updated in the Letter of Offer

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreements and SEBI (LODR) Regulations, 2015. The Stakeholders Relationship Committee currently comprises Mr. Rajendraprasad Shah- Chairman, Mr. Murli Goyal- Member, Mr. Ambalal Patel- Member and Mr. Jyotiprasad Chiripal- Member and its broad terms of reference include redressing complaints from shareholders such as non-receipt of dividend or annual report, transfer of shares and issue of duplicate share certificates; monitoring transfers, transmissions, dematerialization, rematerialization, splitting and consolidation of Equity Shares issued by our Company. We



CIL NOVA PETROCHEMICALS LIMITED

have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

The Investor complaints received by our Company are disposed off within a reasonable period from the date of receipt of the complaint.

Status of outstanding investor complaints in relation to our Company:

As on March 31, 2016 there were no outstanding investor complaints.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by Link Intime India Private Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar will provide for retention of records with the Registrar from the last date of dispatch of Allotment Advice/ share certificate / demat credit / refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or the SCSB in case of ASBA applicants giving full details such as folio no., name and address, contact telephone / cell numbers, email id of the first applicant, number and type of shares applied for, application form serial number, amount paid on application and the name of the bank and the branch where the application was deposited, alongwith a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar for attending to routine grievances will be 7 to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the Investor grievances in a time bound manner.

Registrar to the Issue:

LINK INTIME INDIA PRIVATE LTD

Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai-400 078

Tel: +91 22 6171 5400 **Fax:** +91 22 2596 0329

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

Investor Grievance E- mail: cnpl.rights@linkintime.co.in

Contact Person: Mr. Dinesh Yadav

SEBI Registration Number: INR000004058

Investors may contact the Compliance Officer or the Registrar in case of any pre-Issue/ post -Issue related problems such as non-receipt of Allotment advice/share certificates/ demat credit/refund orders etc. The contact details of the Compliance Officer are as follows:

Company Secretary and Compliance Officer

Mr. Chintan N. Amlani

CIL Nova Petrochemicals Limited

Survey No. 396 (P), 395/4 (P),

Moraiya Village, Sarkhej - Bavla Highway,

Tal. Sanand, Ahmedabad, Gujarat: 382210, India

Tel. No: + 91 79 2673 4660;

Fax No: + 91 79 2676 8656

Email: chintan.amlani@chiripalgroup.com



SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer, the CAF, the SAF, the Memorandum of Association and Articles of Association of our Company, and the provisions of the Companies Act, FEMA, the SEBI Regulations, any other notifications, guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of Equity Shares issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of listing agreement entered into by our Company with the Stock Exchange and terms and conditions as stipulated in the Allotment advice or letter of Allotment or security certificate and rules as may be applicable and introduced from time to time.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the said circular may optionally apply through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose Application Money is not more than Rs.2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Eligible Shareholders holding Equity Shares in physical form and Renouncees are not eligible as ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facilities is available.

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. For details, see ***“Terms of the Issue” – Procedure for Application through the Applications Supported by Blocked Amount*** (“ASBA”) Process” on page 129.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making application by banks on own account using ASBA facility, SCSBs should have a separate account in their own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in their own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

All rights/obligations of Eligible Equity Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well as otherwise stated in this Draft Letter of Offer /Letter of Offer/ Abridged Letter of Offer.

The Rights Entitlement on the Equity Shares, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account pursuant to the listing agreements and for which our Company has withheld the dividend, shall be held in abeyance and the CAFs in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Equity Shares with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Equity Shares to the identified Eligible Shareholder. The identified Eligible Shareholder shall be entitled to subscribe to Equity Shares pursuant to the Issue during the Issue Period with respect to these Rights Entitlement and subject to the same terms and conditions as the Eligible



Shareholders.

Our Company is making this Issue on a rights basis to the Eligible Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address to our Company. The distribution of the Letter of Offer/Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer/CAF, that such person is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, will not be, in any restricted jurisdiction.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on 23rd May, 2016 pursuant to Section 62 (1) (a) of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013.

Approval in relation to the Issue

Our Company will apply for the RBI approval for renunciation in relation to the Issue.

Basis for the Issue

The Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders of our Company whose names appear, as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form, and on the register of members of our Company in respect of Equity Shares held in the physical form at the close of business hours on the Record Date, i.e. [●], 2016, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Equity Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, i.e., [●], you are entitled to the number of the Equity Shares as set out in Part A of the CAF, as the case may be.

PRINCIPAL TERMS OF THE EQUITY SHARES

Face Value

Each Equity Share will have the face value of Rs.10/-.

Issue Price

Each Equity Share shall be offered at an Issue Price of Rs. [●]. The Issue Price has been arrived at after consultation between our Company and the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Share held on the Record Date.

Terms of Payment

Full amount of Rs. [●] per Equity Share is payable on application.



Fractional Entitlements

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of [●] Equity Share for every [●] Equity Share held on the Record Date. Fractional entitlement if any will be rounded off to higher integer and the share required for the same will be adjusted from any of the promoter's entitlement in the rights issue.

Ranking

The Equity Shares being issued shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Equity Shares allotted in the Issue shall rank pari passu with the existing Equity Shares of our Company in all respects, including payment of dividend.

Mode of Payment of Dividend

In the event of declaration of dividend, we shall pay dividend to the Equity Shareholders as per the provisions of the Companies Act and our Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently traded on the BSE (scrip code 533407) and the NSE (scrip code CNOVAPETRO) under the ISIN INE672K01025. The fully paid-up Equity Shares proposed to be issued pursuant to the Issue shall, in terms of the circular (no. CIR/MRD/DP/21/2012) by SEBI dated August 2, 2012, be allotted under a temporary ISIN which shall be kept blocked till the receipt of final listing and trading approval from the Stock Exchange. Upon receipt of such listing and trading approval, the Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN of our Company and be available for trading.

The listing and trading of the Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule. Upon Allotment, the Equity Shares shall be traded on Stock Exchanges in the demat segment only.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading shall be taken within seven working days of finalisation of the basis of Allotment. Our Company has made an application for "in-principle" approval for listing of the Equity Shares to the BSE and NSE and has received such approval from BSE and NSE pursuant to the letter no. [●] dated [●], 2016 and pursuant to the letter no. [●] dated [●], 2016.

Our Company will also apply to the Stock Exchanges for final approval for the listing and trading of the Equity Shares. No assurance can be given regarding the active or sustained trading in the Equity Shares or the price at which the Equity Shares offered under the Issue will trade after listing on the Stock Exchanges.

If permissions to list, deal in and for an official quotation of the Equity Shares are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Draft Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, i.e., the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as per applicable laws.

Rights of the Equity Shareholder

Subject to applicable laws, the Equity Shareholders of our Company shall have the following rights:

1. Right to receive dividend, if declared;



CIL NOVA PETROCHEMICALS LIMITED

2. Right to attend general meetings and exercise voting powers, unless prohibited by law;
3. Right to vote in person or by proxy;
4. Right to receive offers for rights shares and be allotted bonus shares, if announced;
5. Right to receive surplus on liquidation;
6. Right to free transferability of Equity Shares; and
7. Such other rights as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum of Association and Articles of Association.

Arrangements for Disposal of Odd Lots

Our Company's shares will be traded in dematerialised form only and therefore the marketable lot is 1 (ONE) share. Therefore, there is no possibility of any odd lots.

General Terms and Conditions of the Issue for ASBA and Non-ASBA Investors

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for Equity Shares in dematerialised mode is one Equity Share. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue to such Allottees one certificate for the Equity Shares allotted to each folio ("**Consolidated Certificate**"). In respect of consolidated certificates, our Company will upon receipt of a request from the respective holder of Equity Shares, split such consolidated certificates into smaller denominations. We shall not charge a fee for splitting any of the Consolidated Certificates.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014. An Eligible Equity Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Equity Shareholder or all the joint Eligible Equity Shareholders, as the case may be, shall become entitled to the Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he was an Eligible Equity Shareholder. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Shares, in the event of death of the said Eligible Equity Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Shares are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such Eligible Equity Shareholders. Fresh nominations can be made only in the prescribed form available on request at the registered office of our Company or such other person at such addresses as may be notified by our Company.

In terms of Section 72 of the Companies Act, 2013 read with rule 19 of Companies (Share Capital and Debentures) Rules, 2014



CIL NOVA PETROCHEMICALS LIMITED

in the event of death of the holder of Equity Shares or where the Equity Shares are held by more than one person jointly, in the event of death of all the joint holders, the person nominated as the nominee, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holders of the Equity Share(s) himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased holder.

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 ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Eligible Equity Shareholders has already registered the nomination with our Company, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio. However, new nominations, if any, by the Eligible Equity Shareholder(s) shall operate in supersession of the previous nomination, if any.

In case the Allotment of Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Equity Shares to be allotted in this Issue. Nominations registered with respective Depository Participant ("DP") of the applicant would prevail. Any applicant desirous of changing the existing nomination is requested to inform its respective DP.

Notices

All notices to the Eligible Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi national daily newspaper with wide circulation and one Gujarati language daily newspaper with wide circulation and/or, will be sent by post to the Indian address of the Eligible Shareholders provided to our Company. However, the distribution of the Letter of Offer/Abridged Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest at the rate of 15% p.a., for the delayed period, as per Rule 3 of the Companies (Prospectus and Allotment of Securities), Rules, 2014.

Our Promoters have intended vide their letters dated June 21, 2016 to: (a) to apply for Equity Shares being offered to them pursuant to the Rights Issue to the extent of their Rights Entitlements; (b) to apply directly or through the Promoter Group for any Equity Shares renounced in their favour; and (c) to apply directly or through the Promoter Group for any additional Equity Shares in the Rights Issue only to the extent of any unsubscribed portion of the Rights Issue, subject to applicable law, to ensure that at least 90% of the Rights Issue is subscribed.

Procedure for Application

The CAF along with the Abridged Letter of Offer shall be dispatched through registered post or speed post at least three days before the Issue Opening Date. The CAF for the Equity Shares offered as part of the Issue would be printed for all Eligible



CIL NOVA PETROCHEMICALS LIMITED

Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholder or is misplaced by the Eligible Equity Shareholder, the Eligible Equity Shareholder may request the Registrar, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and Indian address. In case the signature of the Investor(s) does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Registrar shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit.

Please note that QIBs, Non-Institutional Investors and other Applicants whose Application Money exceeds Rs.2,00,000 can participate in the Issue only through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than Rs.2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Please also note that by virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Eligible Equity Shareholder being an OCB is required to obtain prior approval from RBI for applying to this Issue.

CAF

The Registrar to the Issue will dispatch CAF to Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, see “*Terms of the Issue*” – Application on Plain Paper (Non-ASBA Process)” on page 125.

The CAF consists of four parts:

- Part A: Form for accepting the Equity Shares offered as a part of this Issue pursuant to the CAF, in full or in part, and for applying for additional Equity Shares;
- Part B: Form for renunciation of Equity Shares;
- Part C: Form for application of Equity Shares by Renouncee(s);
- Part D: Form for request for split application forms.

Please note that Eligible Equity Shareholders can apply for Equity Shares only through CAF (or plain paper). Please also note that Renouncees can apply for Equity Shares only through CAF.

Option available to the Eligible Shareholders

The CAFs will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies for an investment in Equity Shares, then Eligible Equity Shareholder can:

- Apply for its Rights Entitlement of Equity Shares in full;
- Apply for its Rights Entitlement of Equity Shares in part;
- Apply for its Rights Entitlement of Equity Shares in part and renounce the other part of Equity Shares;
- Apply for its Rights Entitlement in full and apply for additional Equity Shares;
- Renounce its Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares offered, either in full or in part, by filling Part A of



the CAFs and submit the same along with the application money payable to the Banker to the Issue or any of the collection centers as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard. Investors at centres not covered by the collection branches of the Banker to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Gujarat or a demand draft payable at Gujarat to the Registrar by registered post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager or the Registrar shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar are liable to be rejected. For further details on the mode of payment, see ***“Terms of the Issue” - Mode of Payment for Resident Investors*** and ***“Terms of the Issue – Mode of Payment for Non-Resident Investors***” on page 127.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Equity Shares under applicable law and have applied for all the Equity Shares of the same type offered to you without renouncing them in whole or in part in favour of any other person(s). Subject to the foregoing, resident Eligible Equity Shareholders and resident Renouncees may subscribe to additional Equity Shares. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under ***“Terms of the Issue - Basis of Allotment”*** on page 137.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the respective CAF. Renouncee(s) applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Where the number of additional Equity Shares applied for exceeds the number of Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not allot and/or register the Equity Shares in favour of (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors; (iv) HUF (however, you may renounce your Rights Entitlements to the Karta of an Hindu Undivided Family acting in his capacity of a Karta); or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860 or the Indian Trust Act, 1882 or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Additionally, existing Equity Shareholders may not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.

Any renunciation: (i) from resident Indian shareholder(s) to non-resident(s); (ii) from non-resident shareholder(s) to resident Indian(s); or (iii) from a non-resident shareholder(s) to other non-resident(s), and subscription of Equity Shares by such renounce are subject to the renouncer(s)/ renouncee(s) obtaining the necessary regulatory approvals. Our Company proposes to apply to the RBI for seeking approval for renunciation of Rights Entitlement by (a) an Eligible Shareholder resident in India, in favour of any person resident outside India (other than OCBs); (b) an Eligible Shareholder resident outside India (other than OCBs), in favour of any person resident in India; and (c) an Eligible Shareholder resident outside India (other than OCBs), in favour of any other person resident outside India (other than OCBs). In case our Company does not receive such approval, the renouncer/ renouncee is required to obtain such approval and attach to the CAF. All such renunciations shall be subject to any conditions that may be specified in the RBI approval. Applications not complying with conditions of the approval/ not accompanied by such approvals are liable to be rejected.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, OCBs have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, the Eligible Equity Shareholders of our Company who do not wish to subscribe to the Equity Shares being offered but wish to renounce the same in favour of Renouncees shall not renounce the same (whether for consideration or otherwise) in favour of OCB(s).



The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000- RB dated May 3, 2000 under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Equity Shares in Part 'C' of the CAF for the purpose of Allotment of such Equity Shares. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Equity Shares in favour of any other person.

Procedure for renunciation

The following procedure applies to renunciation of the Equity Shares:

To renounce all the Equity Shares offered to an Equity Shareholder in favour of one Renouncee

If you wish to renounce the offer indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either (i) accept this offer in part and renounce the balance, or (ii) renounce the entire offer under this Issue in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Equity Shareholder(s), who has renounced the Equity Shares, does not match with the specimen registered with our Company/Depositories, the application is liable to be rejected.

Renouncee(s):

The person(s) in whose favour the Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the application money in full. The Renouncee cannot further renounce.

Change and/or introduction of additional holders:

If you wish to apply for Equity Shares jointly with any other person(s), not more than three including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

However, this right of renunciation is subject to the express condition that the Board of Directors shall be entitled in its absolute discretion to reject the request for Allotment from the Renouncee(s) without assigning any reason thereof.



Instructions for Options

The summary of options available to Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares offered, using the CAF:

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign).
Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity Shares. (All joint holders must sign)
Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) (OR) Renounce your Rights Entitlement to all the Equity Shares offered to you to more than one Renouncee - will be permitted only once	Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrar to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. For the Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
Renounce your Rights Entitlement in full to one person (Joint Renouncees are considered as one).	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign).
Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer/Abridged Letter of Offer/CAF has been addressed. If used, this will render the application invalid.
- Request for each SAFs should be made for a minimum of 1 (one) Equity Share or, in each case, in multiples thereof and one SAF for the balance Equity Shares, if any.
- Request by the Investor for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Investor(s) by post at the Applicant's risk.
- Eligible Equity Shareholders may not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the CAF in the



same order and as per specimen signatures recorded with our Company/ Depositories.

- Non-resident Equity Shareholders: Application(s) received from Non-Resident/ NRIs, or persons of Indian origin residing abroad for allotment of Equity Shares allotted as a part of this Issue shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, allotment of Equity Shares, subsequent issue and allotment of Equity Shares, interest, export of share certificates, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI in connection with his shareholding, he should enclose a copy of such approval with the CAF.
- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates, hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by Eligible Equity Shareholder, the Registrar to the Issue will issue a duplicate CAF on such request of the Eligible Equity Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within 7 (seven) days from the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. Our Company, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA Process)

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn on a bank in Gujarat, demand draft, net of bank and postal charges payable at Gujarat and the Investor should send the same by registered post directly to the Registrar to the Issue. For details of the mode of payment, please see “*Modes of Payment*” on page 127. This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C of the Draft Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed “This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C “*CIL Nova Petrochemicals Limited – Rights Issue*” and should be postmarked in India. The application on plain paper, duly signed by the Investors including joint holders, in the same order and as per specimen recorded with our Company/ Depositories must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

- Name of the Company, being CIL Nova Petrochemicals Limited.
- Name and address of the Investor including joint holders;
- Registered Folio Number/ DP and Client ID no;
- Number of Equity Shares held as on Record Date;
- Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
- Allotment option preferred - physical or demat form, if held in physical form;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of additional Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of Rs. [●] per Equity Share;
- Particulars of cheque/ demand draft;
- Savings/current account number and name and address of the bank where the Investor will be depositing the refund



order (in case of Equity Shares held by such Eligible Equity Shareholders in physical form). In case of Equity Shares allotted in dematerialised form, the bank account details will be obtained from the information available with the Depositories;

- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company.
- Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Investor and for each Investor in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account; and
- A representation that the Investor is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States and is not a “U.S. Person” (as defined in Regulation S under the Securities Act). Additionally, all such Applicants are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Investor without any interest thereon. Applicants are requested to strictly adhere to these instructions. Failure to do so could result in the Application being liable to be rejected without our Company, the Lead Manager and the Registrar to the Issue incurring any liabilities to such applicants for such rejections.

Last date for Application

The last date for submission of the duly filled in CAF is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date.



If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Draft Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under the section ***“Terms of the Issue - Basis of Allotment”*** on page 137.

Modes of Payment

In terms of RBI circular no. DPSS.CO.CHD.No./133/04.07.05/2013-14 dated July 16, 2013 non-CTS cheques are processed in three CTS centres three days of the week. In order to enable listing and trading of the Equity Shares within seven Working Days of the Bid/Offer Closing Date, investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that Bid cum Application Forms accompanied by non- CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Bid/Offer Closing Date.

Mode of payment for Resident Investors

- All cheques / demand drafts accompanying the CAF should be drawn in favour of “CIL Nova Petrochemicals Limited” - Rights Issue-R” crossed ‘A/c Payee only’ and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue on or before the Issue Closing Date;
- Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of “CIL Nova Petrochemicals Limited”– Rights Issue - R”, crossed ‘A/c Payee only’ and payable at Ahmedabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed “CIL Nova Petrochemicals Limited”– Rights Issue”. Our Company, the Lead Manager or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Investors

As regards applications by non-resident Investor, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe for Equity Shares by applicable local securities laws can obtain application forms from the following address:

Note: The Draft Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.
2. Applications will not be accepted from non-resident Indian in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.
3. Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full Application Money, net of bank and postal charges drawn in favour of “CIL Nova Petrochemicals Limited” – Rights Issue – R”, crossed ‘A/c Payee only’ payable at Ahmedabad directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed “CIL Nova Petrochemicals Limited”– Rights Issue”. Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.
4. Payment by non-residents must be made by demand draft payable at Ahmedabad/ cheque drawn on a bank account maintained with the Banker to the Issue or funds remitted from abroad in any of the following ways:



Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad and payable at Ahmedabad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or
2. By cheque / bank drafts remitted through normal banking channel or out of funds in Non -Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;
3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Ahmedabad;
4. FIIs registered with SEBI must utilise funds from special non-resident rupee account;
5. Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of “CIL Nova Petrochemicals Limited”– Rights Issue – NR”, crossed “A/c Payee only” for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue;
6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as non-residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained with the Banker to the Issue or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Ahmedabad In such cases, the Allotment of Equity Shares will be on non- repatriation basis.
2. Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of “CIL Nova Petrochemicals Limited”– Rights Issue – R”, crossed “A/c Payee only” for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue.
3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.
4. An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.
2. In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.



CIL NOVA PETROCHEMICALS LIMITED

3. The CAF duly completed together with the amount payable on application must be deposited with the collecting bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.
4. In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the ASBA Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Draft Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the above conditions may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non-Institutional Investors, or (iii) Investors whose Application Money is more than Rs.2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money. All non-retail Investors are encouraged to make use of ASBA process wherever such facilities is available.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013 it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Shareholders who are eligible to apply under the ASBA Process

The option of applying for Equity Shares in the Issue through the ASBA Process is only available to the Eligible Shareholders of our Company on the Record Date and who:



CIL NOVA PETROCHEMICALS LIMITED

1. hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Equity Shares in the Issue in dematerialised form;
2. have not renounced his/her Rights Entitlements in full or in part;
3. are not a Renouncee;
4. are applying through a bank account maintained with SCSBs; and
5. are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the Equity Shares CAF to all Eligible Equity Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account. More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue

You may accept the Issue and apply for the Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by our Board in this regard.

Additional Equity Shares

You are eligible to apply for additional Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Equity Shares under applicable law and have applied for all the Equity Shares of the same type offered to you without renouncing them in whole or in part in favour of any other person(s). Subject to the foregoing, resident Eligible Equity Shareholders may subscribe to additional Equity Shares. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under *“Terms of the Issue - Basis of Allotment”* on page 137.

If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.



After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar. Upon receipt of intimation from the Registrar, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI Regulations, into a separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of the SEBI circular number CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 must mandatorily invest through the ASBA process.

Options available to the Eligible Shareholders applying under the ASBA Process

The summary of options available to the Eligible Equity Shareholders is presented below. You may exercise any of the following options with regard to the Equity Shares using the respective CAFs received from Registrar:

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A (All joint holders must sign).
2.	Accept your Rights Entitlement in full and apply for additional Equity Shares.	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to additional Equity

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Application on Plain Paper (ASBA Process)

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super scribed "CIL Nova Petrochemicals Limited"– Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Shareholders including joint holders, in the same order and as per the specimen recorded with our Company/ Depositories must reach the office of the Registrar before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer being CIL Nova Petrochemicals Limited;



CIL NOVA PETROCHEMICALS LIMITED

2. Name and address of the Eligible Shareholder including joint holders;
3. Registered Folio Number/ DP and Client ID No.;
4. Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;
5. Number of Equity Shares held as on Record Date;
6. Number of Equity Shares entitled to;
7. Number of Equity Shares applied for;
8. Number of additional Equity Shares applied for, if any;
9. Total number of Equity Shares applied for;
10. Total amount paid at the rate of Rs. [●] per Equity Share;
11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
12. In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
14. Signature of the Eligible Shareholders to appear in the same sequence and order as they appear in our records; and
15. Additionally, all such Eligible Shareholders applying through ASBA are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlement nor the Equity Shares have been, or will be, registered under the United States Securities Act of 1933, as amended (the “US Securities Act”) or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “United States”). I/ we understand the Equity Shares referred to in this application are being offered in India but not in the United States. I/ we understand the offering to which this application relates is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlement for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlement in the United States. Accordingly, I/ we understand this application should not be forwarded to or transmitted in or to the United States at any time. I/ we confirm that I/ are not in the United States and understand that neither us, nor the Registrar, the Lead Manager or any other person acting on behalf of us will accept subscriptions from any person, or the agent of any person, who appears to be, or who we, the Registrar, the Lead Manager or any other person acting on behalf of us have reason to believe is in the United States or is ineligible to participate in the Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation except under circumstances that will result in compliance with any applicable laws or regulations. We satisfy, and each account for which we are acting satisfies, all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of our residence.

I/ We understand and agree that the Rights Entitlement and Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.



I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements.”

Option to receive Equity Shares in Dematerialized Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Eligible Shareholders applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.
2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Draft Letter of Offer, Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.
3. The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue (assuming that such Banker to the Issue is not a SCSB), to our Company or the Registrar or the Lead Manager to the Issue.
4. All Eligible Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Shareholders for which PAN details have not been verified shall be “suspended for credit” and no allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Eligible Shareholders.
5. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.
7. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant’s name and all communication will be addressed to the first Applicant.
8. All communication in connection with application for the Equity Shares, including any change in address of the Eligible Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.
9. Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.
10. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Equity Shares under applicable securities laws are eligible to participate.



11. Only the Eligible Shareholders holding Equity Shares in demat are eligible to participate through the ASBA process.
12. Eligible Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.
13. Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Eligible Shareholders who are QIBs, Non-Institutional Eligible Shareholders and other Eligible Shareholders whose Application Money exceeds Rs. 2,00,000 complying with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009 can participate in the Issue only through the ASBA process. QIBs, Non-Institutional Investors and other Applicants whose Application Money exceeds Rs. 200,000 shall use the ASBA facility at various centres where the facility is made available. The Eligible Shareholders who are not (i) QIBs, (ii) Non-Institutional Eligible Shareholders or (iii) investors whose Application Money is more than Rs. 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

14. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section “***Terms of the Issue - Application on Plain Paper (ASBA Process)***” on page 125.

Do's:

1. Ensure compliance with the eligibility conditions prescribed under the SEBI circular dated December 30, 2009.
2. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.
3. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialized form only.
4. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.
5. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.
6. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.
7. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.
8. Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials



appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.

9. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
10. Ensure that the Demographic Details are updated, true and correct, in all respects.
11. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.
3. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.
4. Do not send your physical CAFs to the Lead Manager / Registrar / Banker to the Issue (assuming that such Banker to the Issue is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.
5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
6. Do not apply if the ASBA account has been used for five Eligible Shareholders.
7. Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.
8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.
9. Do not submit CAF having the colour of ink specified for another class of Eligible Shareholders.

Grounds for Technical Rejections under the ASBA process

In addition to the grounds listed under “*Grounds for Technical Rejections for non-ASBA Investors*” on page 135, applications under the ASBA Process are liable to be rejected on the following grounds:

1. Application on a SAF.
2. Application for allotment of Rights Entitlements or additional Equity Shares which are in physical form.
3. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.
4. Sending an ASBA application on plain paper to person other than SCSB.
5. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.
6. Renouncee applying under the ASBA Process.
7. Submission of more than five CAFs per ASBA Account.



8. Insufficient funds are available with the SCSB for blocking the amount.
9. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.
10. Account holder not signing the CAF or declaration mentioned therein.
11. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the Equity Shares in compliance with all applicable laws and regulations.
12. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.
13. QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Equity Shares in this Issue for value of more than Rs. 2,00,000 who hold Equity Shares in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.
14. Application by an Eligible Shareholder whose cumulative value of Equity Shares applied for is more than Rs. 2,00,000 but has applied separately through split CAFs of less than Rs. 2,00,000 and has not done so through the ASBA process.
15. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.
16. Submitting the GIR instead of the PAN.
17. An Eligible Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.
18. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
19. ASBA Bids by SCSB applying through ASBA process on own account, other than through an ASBA Account in its own name with any other SCSB.
20. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.
21. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

Depository account and bank details for Eligible Shareholders applying under the ASBA Process

IT IS MANDATORY FOR ALL THE ELIGIBLE EQUITY SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS AS ON THE RECORD DATE. ALL ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. ELIGIBLE SHAREHOLDERS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT



THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Eligible Shareholders applying under the ASBA Process should note that on the basis of name of these Eligible Shareholders, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Eligible Shareholders such as address, bank account details for printing on refund orders and occupation ("Demographic Details"). Hence, Eligible Shareholders applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Eligible Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Shareholder. The Demographic Details given by the Eligible Shareholders in the CAF would not be used for any other purposes by the Registrar.

Hence, Eligible Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Eligible Shareholders applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Eligible Shareholder applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Equity Shares are not allotted to such Eligible Shareholder. Eligible Shareholders applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Eligible Shareholder in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Eligible Shareholders applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Eligible Shareholder applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Eligible Shareholders (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Issue Schedule

Issue Opening Date:	[●]
Last date for receiving requests for SAFs:	[●]
Issue Closing Date:	[●]

The Board or Committee authorized thereto may however decide to extend the period of Issue as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, Letter of Offer, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Equity Shares in the following order of priority reckoned separately for Equity Shares:

- Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlement either in full or in part



and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part. Allotment to NR Renouncees shall be subject to the permissible foreign investment limits applicable to the Company under FEMA.

- b) Investors whose fractional entitlements are being ignored would be given preference in allotment of one additional Equity Share each if they apply for additional Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Equity Shares after allotment under (a) above. If number of Equity Shares required for Allotment under this head are more than the number of Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- c) Allotment to the Eligible Shareholders who, having applied for all the Equity Shares offered to them as part of the Issue, have also applied for additional Equity Shares. The Allotment of such additional Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such additional Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- d) Allotment to Renouncees who, having applied for all the Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- e) Allotment to any other person that our Board as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of the Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed' for the purpose of regulation 10(4)(b) of the Takeover Regulations.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. Our Company shall also be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of our Company in default shall be punishable with imprisonment for a term of one year or with fine which shall not be less than fifty thousand rupees but may extend to three lakh rupees or with both in accordance with Section 40 (5) of the Companies Act, 2013.

Investors residing at centers where clearing houses are managed by the RBI will get refunds through National Electronic Clearing Service ("NECS") except where Investors have not provided the details required to send electronic refunds.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit



CIL NOVA PETROCHEMICALS LIMITED

under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's Indian address provided by the Eligible Shareholders to our Company. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar for this purpose.

In the case of non-resident shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-resident shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollar. The letter of allotment will be sent by registered post / speed post to the Indian address of the Non Resident shareholders or Investors as provided to our Company.

Payment of Refund

Mode of making refunds

The payment of refund, if any, would be done through any of the following modes:

1. NECS – Payment of refund would be done through NECS for Investors having an account at any of the 68 centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar. The payment of refunds is mandatory for Investors having a bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).
2. National Electronic Fund Transfer ("NEFT") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("IFSC Code"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR number. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.
3. Direct Credit – Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.
4. RTGS – If the refund amount exceeds Rs.2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the CAF. In the event the same is not provided, refund shall be made through NECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.
5. For all other Investors the refund orders will be dispatched through speed post/ registered post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.
6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and as permitted by SEBI from time to time.



Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad and payable at Ahmedabad, refunds will be made in the Indian rupees based on the U.S. dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund order. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will, in no way, be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice / share certificates / demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within 15 days, from the Issue Closing Date. In case our Company issues Allotment advice, the respective share certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for share certificates.

Option to receive Equity Shares in Dematerialized Form

Investors (including Applicants who are holding Equity Shares in the physical form as on the Record Date) shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL on November 26, 2009 which enables the Investors to hold and trade in the equity shares issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on December 04, 2009 which enables the Investors to hold and trade in the Equity Shares issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Equity Shares in dematerialized form will receive their Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a depository participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Equity Shares in physical form. No separate CAFs for Equity Shares in physical and/or dematerialized form should be made. If such CAFs are made, the CAFs for physical Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Equity Shares sought in demat and balance, if any, will be Allotted in physical Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Equity Shares in the Issue in dematerialized form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Equity Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in



CIL NOVA PETROCHEMICALS LIMITED

the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. For Eligible Shareholders already holding Equity Shares in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the Equity Shares are not dematerialized. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company/ Depositories.
3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-à-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's depository participant.
4. If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Equity Shares in physical form.
5. The Equity Shares allotted to Applicants opting for issue in dematerialized form would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Equity Shares to the Applicant's depository account. Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.
2. Applicants that are not QIBs or are not Non – Institutional Investor or those whose Application money does not exceed Rs.2,00,000 may participate in the Issue either through ASBA or the Non-ASBA process. Eligible Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the Non ASBA process.
3. Application should be made on the printed CAF, provided by our Company except as mentioned under the head ***“Terms of the Issue – Application on Plain Paper (Non-ASBA Process)”*** on page 125 and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of the Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.
4. The CAF together with the cheque/demand draft should be sent to the Banker to the Issue or to the Registrar and not to our Company or the Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by demand draft payable at Ahmedabad of an amount net of bank and postal charges and send their CAFs to the Registrar by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

Applications where separate cheques/demand drafts are not attached for amounts to be paid for the Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stock invest are liable to be rejected.



5. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.
6. Investors, holding Equity Shares in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.
7. All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.
8. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi or other specified language and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.
9. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.
10. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per are Renounees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.
11. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Equity Shares of our Company may be restricted by applicable securities laws.
12. All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.
13. SAFs cannot be re-split.
14. Only the person or persons to whom Equity Shares have been offered and not Renounee(s) shall be entitled to obtain SAFs.
15. Investors must write their CAF number at the back of the cheque /demand draft.



16. Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.
17. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.
18. No receipt will be issued for application money received. The Banker to the Issue / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.
19. The distribution of the Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Equity Shares.
20. Investors shall be given an option to get the Equity Shares in demat or physical mode.
21. Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

1. Check if you are eligible to apply i.e. you are an Eligible Shareholder on the Record Date.
2. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.
3. In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.
4. Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.
5. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.
6. Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.
7. Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.
8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.
9. Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

1. Do not apply if you are not eligible to participate in the Issue the securities laws applicable to your jurisdiction.



2. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.
3. Do not pay the amount payable on application in cash, by money order or by postal order.
4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.
5. Do not submit Application accompanied with stock invest.
6. Do not submit CAF having the colour of ink specified for another class of Eligible Shareholders.

Grounds for Technical Rejection for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the amount payable.
2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialized holdings) or the Registrar and transfer agent (in the case of physical holdings).
3. Age of Investor(s) not given (in case of Renouncees).
4. Except for CAFs on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.
5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.
6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.
7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and the Draft Letter of Offer.
8. CAFs not duly signed by the sole/joint Investors.
9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue.
10. Applications for additional Equity Shares by NR Renouncees.
11. CAFs submitted by Non-Resident Renouncee(s) who are not FIIs, NRIs or RFPIs.
12. Submission of the CAFs to the SCSBs.
13. Submission of plain paper Application to person other than the Registrar to the Issue.
14. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.
15. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.
16. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorised to acquire the Rights Entitlements and Equity Shares in compliance with all applicable laws and regulations.



17. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions.
18. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided.
19. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
20. In case the GIR number is submitted instead of the PAN.
21. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.
22. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.
23. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding Rs.2,00,000, not through ASBA process.
24. Application by an Eligible Shareholder whose cumulative value of Equity Shares applied for is more than Rs.2,00,000 but has applied separately through SAFs of less than Rs.2,00,000 and has not been undertaken through the ASBA process.

Please read the Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of the Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in the Draft Letter of Offer or the CAF.

Investment by FPIs or FII

In accordance with the SEBI (FPI) Regulations, the issue of Equity Shares under this Issue to a single FPI or FII should not exceed 10% of the post-issue paid up capital of our Company. In respect of an FII investing in the Equity Shares on behalf of its sub-accounts the investment on behalf of each sub-account shall not exceed 5% of the total paid up capital of our Company

Applications will not be accepted from FIIs in the United States or its territories and possessions, or any other jurisdiction where the offer or sale of the Rights Entitlements and Equity Shares may be restricted by applicable securities laws.

QIB applicants and other applicants whose application amount exceeds Rs. 2,00,000 can participate in the Issue only through the ASBA process. The applicants who are not QIBs and whose application amount is not more than Rs. 2,00,000 can participate in the Issue through the ASBA process as well as the non ASBA process.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the FEMA Regulations. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding Rs.2, 00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such



CIL NOVA PETROCHEMICALS LIMITED

applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Application made by asset management companies or custodian of a mutual fund shall clearly indicate the name of the concerned scheme for which Application is being made.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Equity Shares for an amount exceeding Rs.2,00,000 shall mandatorily make use of ASBA facility.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of subsection (1) of Section 38 of the Companies Act, 2013 read with Section 447 of the Companies Act, 2013 which is reproduced below:

“Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its Equity Shares; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its Equity Shares; or otherwise induces directly or indirectly a company to allot, or register any transfer of, Equity Shares to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”

Dematerialized dealing

Our Company has entered into agreements, each dated November 26, 2009 and December 04, 2009 with NSDL and CDSL, respectively with ISIN: INE672K01017, and our Equity Shares currently bear the ISIN: INE672K01025.

Payment by Stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated 5 November 2003, the Stockinvest Scheme has been withdrawn. Hence, payment through Stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Bankers to the Issue / Registrar to the Issue receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Investor within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. Our Company shall also be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of our Company in default shall be punishable with imprisonment for a term of one year or with fine which shall not be less than fifty thousand rupees but may extend to three lakh rupees or with both in accordance with Section 40 (5) of the Companies Act, 2013.

For further instructions, please read the CAF carefully.

Utilization of Issue Proceeds

Our Board of Directors declares that:



CIL NOVA PETROCHEMICALS LIMITED

- (i) All monies received out of the Issue shall be transferred to a separate bank account maintained by our Company as per the provisions of section 40(3) of the Companies Act, 2013;
- (ii) Details of all monies utilized out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- (iii) Details of all unutilized monies out of the 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; and
- (iv) Our Company may utilize the funds collected in the Issue only after the basis of Allotment is finalized.

Undertakings by our Company

Our Company undertakes the following:

- 1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- 2. All the steps for completion of the necessary formalities for listing and commencement of trading at all stock exchanges where the Equity Shares are to be listed are taken within seven working days of finalisation of basis of allotment.
- 3. The funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.
- 4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
- 5. Except as disclosed in section titled “Capital Structure” in this Draft Letter of Offer, no further issue of equity shares affecting our Company’s equity capital shall be made till the Equity Shares issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.
- 6. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.
- 7. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to Non- ASBA applications while finalising the Basis of Allotment.
- 8. At any given time there shall be only one denomination for the Equity Shares of our Company.
- 9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue (including devolvement of underwriter), our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in the refund of the subscription amount by more than eight days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest at the rate of 15% p.a., for the delayed period, as per Rule 3 of the Companies (Prospectus and Allotment of Securities), Rules, 2014.

Important



CIL NOVA PETROCHEMICALS LIMITED

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Draft Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with the Draft Letter of Offer or CAF or Abridged Letter of Offer and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Equity Shareholder as mentioned on the CAF and super scribed “CIL Nova Petrochemicals Limited - Rights Issue” on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Link Intime India Private Limited

Pannalal Silk Mills Compound, L.B.S. Marg,
Bhandup (West), Mumbai-400 078

Tel: +91 22 6171 5400

Fax: +91 22 2596 0329

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

Investor Grievance E- mail: cnpl.rights@linkintime.co.in

Contact Person: Mr. Dinesh Yadav

SEBI Registration Number: INR000004058

The Rights Entitlement and the Equity Shares are not intended to be offered or sold to persons in the United States or any other jurisdiction where such offer or sale may be prohibited. The offering to which the Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any shares or rights to sale in the United States, the territories or possessions thereof, or a solicitation therein of an offer to buy any of the said shares or rights. Accordingly, the Draft Letter of Offer and the CAF should not be dispatched or forwarded to or transmitted in or to, the United States at any time. Our Company and the Lead Manager reserve absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so. Any person who acquires Rights Entitlements or Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Draft Letter of Offer, that it is not and that at the time of subscribing for the Equity Shares or the Rights Entitlements, it will not be, in the United States or any other jurisdiction where such acquisition may be prohibited.

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.



SECTION VIII-OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The contracts referred to below (not being contracts entered into in the ordinary course of business carried on by us or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company situated Survey No. 396 (P), 395/4 (P), Moraiya Village, Sarkhej - Bavla Highway, Tal. Sanand, Ahmedabad, Gujarat: 382210 between 10 a.m. and 5 p.m. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

Material Contracts

1. Issue Agreement dated June 20, 2016 between our Company and the Lead Manager to the Issue.
2. Agreement dated June 20, 2016 between our Company and Link Intime Registrar to the Issue.
3. Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Escrow Collection Bank.

Material Documents / Documents for Inspection

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended.
2. Certificate of Incorporation of our Company and certificates of incorporation consequent upon change in name of our
3. Company and Certificate of Commence of business.
4. Certified true copy of the Board Resolution dated May 23, 2016 authorising to the right issue under Section 62(1) (a) of the Companies Act, 2013.
5. Certified true copy of the Board Resolution dated [●] finalizing the Issue Price and the Rights Entitlement Ratio.
6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditors, Lead Manager, Banker to the Issue, Legal Advisor to the Issue and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.
7. Consent of M/s. J.T.Shah. & Co, Chartered Accountants, to be named as an “expert” under Sections 2(38) and 26 of the Companies Act, 2013 dated June 17, 2016 on the audited financial statements and the Statement of Tax Benefits dated June 17, 2016.
8. The report of the Statutory Auditors, being M/s. J.T.Shah. & Co, Chartered Accountants, dated May 23, 2016 on the audited financial statements for the financial year ended March 31, 2016.
9. Annual Reports of our Company for the financial years ending March 31, 2016, 2015, 2014, 2013 and 2012.
10. Due Diligence Certificate dated July 05, 2016 addressed to SEBI from the Lead Manager.
11. In-principle listing approval dated [●] issued by BSE and NSE.
12. Copy of the letter dated [●] issued by RBI approving the renunciation of rights entitlement;
13. Letter no. [●] dated [●] issued by SEBI for the Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.



DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions etc. issued by SEBI, Government of India and any other competent authority in this behalf have been duly complied with.

We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

Signed by the Directors and Key Managerial Personnel of our Company

Name	Signature
Mr. Jyotiprasad Chiripal (DIN: 00155695) Managing Director	
Mr. Vedprakash Chiripal (DIN: 00290454) Executive Director	
Mr. Rajendraprasad Shah (DIN: 01982424) Non- Executive Independent Director	
Mr. Ambalal Chhitabhai Patel Din:- 00037870 Non- Executive Independent Director	
Mr. Murlimanohar Goyal (DIN: 02329431) Non- Executive Independent Director	
Mr. Pooransingh Mathuria (DIN: 07430356) Whole Time Director	
Mr. Pradip Kumar Khandelwal Chief Executive Officer	
Mr. Satish Ravishanker Bhatt Chief Financial Office	
Mr. Chintan N. Amlani Company Secretary	

Place: Ahmedabad

Date: 5th July, 2016