



STERLING CHEMICALS AND ALCOHOLS LIMITED

Corporate Identity Number: - U24116MH1991PLC062354

Our Company was originally incorporated on July 04, 1991 as "Sterling Chemicals and Alcohols Private Limited" vide Registration no. 11-062354 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further our Company was converted into Public Limited Company and consequently name of company was changed from "Sterling Chemicals and Alcohols Private Limited" to "Sterling Chemicals and Alcohols Limited" vide resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 27, 2017 and a fresh certificate of incorporation dated October 16, 2017 issued by the Registrar of Companies, Pune. For further details please refer to chapter titled "History and Certain Corporate Matters" beginning on page 117 of this Draft Prospectus.

Registered Office: GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune - 412208, Maharashtra, India.

Tel. No. +91-021-37252496, +91-021-37252901, **E-mail:** info@scapl.net; **Website:** www.scapl.net

CONTACT PERSON: MS. SHALINI AGRAWAL, (COMPANY SECRETARY & COMPLIANCE OFFICER)

PROMOTERS OF OUR COMPANY: MR. JAYANT SHAMRAO ARBATTI AND MRS. SNEHA JAYANT ARBATTI

THE ISSUE

INITIAL PUBLIC ISSUE OF 36,60,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF STERLING CHEMICALS AND ALCOHOLS LIMITED ("OUR COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹ 34.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 24.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 1244.40 LAKHS ("ISSUE") OF WHICH 1,88,000 EQUITY SHARES OF FACE VALUE OF ₹10.00 EACH FOR A CASH PRICE OF ₹ 34.00 PER EQUITY SHARE, AGGREGATING TO ₹ 63.92 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 34,72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 34.00 PER EQUITY SHARE AGGREGATING TO ₹ 1180.48 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 30.08% AND 28.54%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE 207 OF THIS DRAFT PROSPECTUS.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 34.00. THE ISSUE PRICE IS 3.4 TIMES OF THE FACE VALUE.

THIS ISSUE IS BEING MADE IN TERMS OF CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 (THE "SEBI ICDR REGULATIONS"), AS AMENDED. THIS ISSUE IS A FIXED PRICE ISSUE AND ALLOCATION IN THE NET ISSUE TO THE PUBLIC WILL BE MADE IN TERMS OF REGULATION 43(4) OF THE SEBI (ICDR) REGULATIONS, 2009, AS AMENDED. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE PROCEDURE" BEGINNING ON PAGE 214 OF THIS DRAFT PROSPECTUS.

All the investors applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") as per the SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015. For further details, please refer to section titled "Issue Procedure" beginning on page 214 of this Draft Prospectus.

ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "Issue Procedure" beginning on page 214 of this Draft Prospectus.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹ 10.00 per equity share and the Issue Price is 3.4 times of the face value. The Issue Price (will be determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph "Basis for Issue Price" on page 74 of this Draft Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the "Risk Factors" carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Draft Prospectus. **Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page 15 of this Draft Prospectus.**

COMPANY'S ABSOLUTE RESPONSIBILITY

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

LISTING

The Equity Shares offered through this Draft Prospectus are proposed to be listed on the SME Platform of BSE Limited ("BSE SME"). Our Company has received an approval letter dated [●] from BSE for using its name in this offer document for listing of our shares on the SME Platform of BSE Limited ("BSE SME"). For the purpose of this Issue, the Designated Stock Exchange will be the BSE Limited.

LEAD MANAGER TO THE ISSUE

REGISTRAR TO THE ISSUE



CORPORATE CAPITALVENTURES PRIVATE LIMITED

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Tel No.: +91-11-4170 4066;
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Contact Person: Mr. Tushar Shukla
SEBI Registration No.: INM000012276

LINK INTIME INDIA PRIVATE LIMITED

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Investor Grievance Email: sterling.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058

ISSUE PROGRAMME

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time.

The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of Articles of Association”, “Outstanding Litigation and Material Developments” and Regulations and Policies” on pages 77, 141,256, 187 and 106, respectively, shall have the meaning ascribed to such terms in such sections.

General Terms

Terms	Description
“SCAL”, “Sterling” “the Company”, “our Company” and Sterling Chemicals and Alcohols Limited	Sterling Chemicals and Alcohols Limited, a company incorporated in India under the Companies Act, 1956 having its Registered office at GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune-412208, Maharashtra, India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies, refers to our Company
“you”, “your” or “yours”	Prospective investors in this Issue

Company Related Terms

Terms	Description
AOA / Articles / Articles of Association	Articles of Association of Sterling Chemicals and Alcohols Limited, as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Sterling Chemicals and Alcohols Limited being M/s S.J. Kholam & Co., Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirement) Regulation, 2015
Bankers to the Company	Janata Sahakari Bank Ltd.
Board of Directors /the Board / our Board	The Board of Directors of Sterling Chemicals and Alcohols Limited, including all duly constituted Committees thereof.
CIN	Corporate Identification Number.
Chief Financial Officer/CFO	The Chief financial Officer of our Company being Mr. Manojkumar Charudatta Naidu
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Ms. Shalini Agrawal.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Directors are the Managing Director & Whole Time Directors of our Company.



Terms	Description
Group Companies	The word “group companies”, wherever they occur, shall include such companies as covered under the applicable accounting standards and also other companies as considered material by the board of the company as disclosed in “Our Group Companies” promoted by the Promoters on page 139 of this Draft Prospectus.
HUF	Hindu Undivided Family.
IBC	The Insolvency and Bankruptcy Code, 2016
IFRS	International Financial Reporting Standards
Independent Director	A non-executive & independent Director as per the Companies Act, 2013 and the Listing Regulations.
Indian GAAP	Generally Accepted Accounting Principles in India
ISIN	International Securities Identification Number. In this case being – [●]
IT Act	The Income Tax Act, 1961 as amended till date
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “Our Management” on page 122 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on January 29, 2018 in accordance with the requirements of the SEBI (ICDR) Regulations.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of Sterling Chemicals and Alcohols Limited as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA Regulations, 2000
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with the Companies Act, 2013 and the Listing Regulations.
Non-Executive Director	A Director not being an Executive Director or an Independent Director
NRIs / Non-Resident Indians	A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s C.P. Jaria & Co. Chartered Accountant.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Shall mean promoters of our Company i.e. Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1)(zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “Our Promoters and Promoters Group” beginning on page 135 of this Draft Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office & Factory of our Company	GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune-412208, Maharashtra, India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, as at and for period ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013 together with the annexure and notes thereto as disclosed in chapter titled “Financial Information of the Company” beginning on Page 141 of this Draft Prospectus.
RoC/Registrar of Companies	Registrar of Companies, Pune
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.



Terms	Description
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/ SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
Shareholders	Holders of Equity Shares of our Company from time to time
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscriber to MOA & AOA being Mr. Jayant Shamrao Arbatti and Mr. Dilip Shamrao Arbatti
Stock Exchange	Unless the context requires otherwise, refers to, BSE Limited
Stakeholders' Relationship Committee	Stakeholder's relationship committee of our Company constituted in accordance with Regulation 20 of the SEBI (LODR) Regulations and Companies Act, 2013.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(zn) of the SEBI Regulations

Issue Related Terms

Terms	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares pursuant to the Public Issue.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges.
Allottee (s)	A successful applicant to whom the Equity Shares are allotted
Applicant/Investor	Any Prospective Investor who makes an application pursuant to the terms of the Draft Prospectus and the Application Form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
ASBA Application Location (s)/Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the Issue and which is described in the chapter titled "Issue Procedure" beginning on page 214 of this Draft Prospectus.



Terms	Description
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
BSE	BSE Limited
BSE SME	The SME platform of BSE, approved by SEBI as an SME Exchange for listing of equity shares Issued under Chapter X-B of the SEBI ICDR Regulations.
Business Day	Monday to Friday (except public holidays)
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, and Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Draft Prospectus.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
Designated Intermediaries/Collecting Agent	An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an Issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	Beeline Broking Limited
Designated Stock Exchange	BSE Limited (SME Exchange) ("BSE SME")
DP	Depository Participant
DP ID	Depository Participant's Identity number.
Draft Prospectus	Draft Prospectus dated February 14, 2018 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.



Terms	Description
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Draft Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI 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 SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
GIR Number	General Index Registry Number.
IPO	Initial Public Offering
Issue Agreement	The Agreement dated January 30, 2018 between our Company and LM
Issue Closing Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which prospective Applicants can submit their Applications, including any revisions thereof.
Issue Price	The price at which Equity Shares will be issued by the Company in terms of this Draft Prospectus i.e. Rs.34/-per share.
Issue Size	The Public Issue 36,60,000 Equity shares of Rs. 10/- each at issue price of Rs.34/- per Equity share, including a premium of Rs.24/- per equity share aggregating to Rs. 1244.40 Lacs.
Lead Manager/LM	Corporate Capitalventures Private Limited
Market Making Agreement	The Market Making Agreement dated January 30, 2018 between our Company, Lead Manager and Market Maker
Market Maker Reservation Portion	The reserved portion of 1,88,000 Equity Shares of ₹10 each at an Issue price of ₹ 34/- each aggregating to ₹ 63.92 Lacs to be subscribed by Market Maker in this Issue.
Mutual Fund	A Mutual Fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended.
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of 34,72,000 equity Shares of Rs.10 each at a price of Rs.34/- per Equity Share (the “Issue Price”), including a share premium of Rs. 24/- per equity share.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
Other Investors	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.



Terms	Description
Overseas Corporate Body/OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs.25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Link Intime India Private Limited.
Registrar Agreement	The agreement dated January 29, 2018 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as "Trading Members"(except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on http://www.bseindia.com/membership/content/cat_of_mem.html
Revision Form	The form used by the applicants to modify the quantity of Equity Shares in any of their Application Forms or any previous Revision Form(s).
Reservation Portion	The portion of the Issue reserved for category of eligible Applicant as provided under the SEBI (ICDR) Regulations, 2009
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Self Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and Issue services of ASBA, including blocking of bank account, a list of which is available http://www.sebi.gov.in/pmd/scsb.pdf
SME Exchange	SME Platform of the BSE
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003



Terms	Description
Transaction Registration Slip/ TRS	The slip or document issued by a member of the Syndicate or an SCSB (only on demand), as the case may be, to the applicants, as proof of registration of the Application
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated January 30, 2018 entered between the Underwriter, LM and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Issue Opening Date and listing of the Equity Shares on the Stock Exchanges, “Working Days” shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Technical and Industry Related Terms

Term	Full Form
AIDA	All India Distillers Association
BII	Bottled in India
BIO	Bottled in Origin
BL	Bulk Litres
BOD	Biological Oxygen Demand
BP	The BP grade mean that the chemical has been tested to the specifications of the specific pharmacopeia British.
CDM	Clean Development Mechanism
CO2	Carbon Dioxide
COD	Chemical Oxygen Demand
DAM	Distillery Association of Maharashtra
DG	Diesel Generator
DG	Diesel Generator
DM	Demineralised Water
EDA	Ethyl Denatured Alcohol
ENA	Extra Neutral Alcohol
EP	The EP grades mean that the chemical has been tested to the specifications of the specific pharmacopeia European).
ETHANOL	Ethyl alcohol
FUEL ETHANOL	Dehydrated ethyl alcohol, which contains at least 99.5% ethyl content. This is used for blending in petrol
HDPE	High Density Polyethylene
HP	Horse Power
I.S.	Industrial Spirit
IMFL	Indian Made Foreign Liquor
ISMA	Indian Sugar Mills Association
KG	Kilo Gram
KL	Kilo Liters
KLPD	Kilo Liters Per day
Ktpa	Kilo Tonnes per annum
KV	Kilo Volt
KW	Kilo Watt
LPD	Liters Per day



mg/L	Milligrams Per Liter
MT	Metric Tonne
MTPA	Metric Ton Per Annum
Mtrs	Meters
MVA	Mega Volt Ampere
N.F	A grade of sufficient purity to meet or exceed requirements of the National Formulary (NF).
PURIFIED	Defines chemicals of good quality where there are no official standards. This grade is usually limited to inorganic chemicals.
RO	Reverse Osmosis
RS	Rectified spirit
SME	Small and Medium Enterprise
SQ MTRS	Square Meters
SS	Suspended Solids
SSI	Small Scale Industries
TPD TONNES PER DAY	TPD Tonnes Per Day
TPH TONNES PER HOUR	TPH Tonnes Per Hour
USP,	A chemical grade of sufficient purity to meet or exceed requirements of the U.S. Pharmacopeia (USP); acceptable for food, drug, or medicinal use; may be used for most laboratory purposes.
v/v	Volume by Volume
AIDA	All India Distillers Association

Abbreviations

Abbreviation	Full Form
AS/Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited
BSE SENSEX	Sensex in an index; market indicator of the position of stock that is listed in the BSE
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax



Abbreviation	Full Form
CS	Company Secretary
CSR	Corporate social responsibility.
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CENVAT	Central Value Added Tax
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
Depository or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortisation
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employees' Provident Funds and miscellaneous Provisions Act, 1952
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FTP	Foreign Trade Policy, 2009
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
GAAP	Generally Accepted Accounting Principles in India
GST	Goods and Service Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR / ₹/ Rupees	Indian Rupees, the legal currency of the Republic of India



Abbreviation	Full Form
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
i.e	That is
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
M-o-M	Month-On-Month
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
MD	Managing Director
Mn	Million
M.P.	Madhya Pradesh
M. E	Master of Engineering
MRP	Maximum Retail Price
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MAPIN	Market Participants and Investors Database
MSMEs	Micro, Small and medium Enterprises
MoA	Memorandum of Association
NA	Not Applicable
Net worth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio



Abbreviation	Full Form
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SCSB	Self-Certified Syndicate Banks
SEBI	Securities and Exchange Board of India
SICA	Sick Industrial Companies (Special provisions) Act, 1985, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the Unites States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
VAT	Value Added Tax
w.e.f.	With effect from
YoY	Year over Year

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Regulations and Policies”, “Financial Information of the Company”, “Outstanding Litigation and Material Developments” and “Part B” of “Issue Procedure”, will have the meaning ascribed to such terms in these respective sections.



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

Certain Conventions

All references in the Draft Prospectus to “India” are to the Republic of India. All references in the Draft Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America.

In this Draft Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Sterling Chemicals and Alcohols Limited” and “SCAL”, “Sterling”, unless the context otherwise indicates or implies, refers to Sterling Chemicals and Alcohols Limited. In this Draft Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “Lac / Lakh” means “one hundred thousand”, the word “million (mn)” means “Ten Lac / Lakh”, the word “Crore” means “ten million” and the word “billion (bn)” means “one hundred crore”. In this Draft Prospectus, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

Use of Financial Data

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our financial statements prepared and restated for the period ended December 31, 2017 and financial year ended 31 March 2017, 2016, 2015, 2014 and 2013 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “Financial Information of the Company” beginning on page 141 of this Draft Prospectus. Our Company does not have any subsidiary. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus 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.

Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “Financial Information of the Company” beginning on page 141 of this Draft Prospectus.

For additional definitions used in this Draft Prospectus, see the section Definitions and Abbreviations on page 01 of this Draft Prospectus. In the section titled “Main Provisions of Articles of Association”, on page 256 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

Use of Industry & Market Data

Unless stated otherwise, industry and market data and forecast used throughout the Draft Prospectus was obtained from internal Company reports, data, websites, Industry publications report as well as Government Publications. Industry publication data and website data generally state that the information contained therein has been obtained from sources believed to be reliable, but that their accuracy and completeness and underlying assumptions are not guaranteed and their reliability cannot be assured.

Although, we believe industry and market data used in the Draft Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.



In accordance with the SEBI (ICDR) Regulations, the section titled “Basis for Issue Price” on page 74 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

Currency of Financial Presentation and Exchange Rates

All references to "Rupees" or “INR” or “₹” are to Indian Rupees, the official currency of the Republic of India. Except where specified, including in the section titled “Industry Overview” throughout the Draft Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation” on page 15,95 & 173 in the Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus may contain conversions of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.



FORWARD LOOKING STATEMENTS

This Draft Prospectus includes certain “forward-looking statements”. We have included statements in the Draft Prospectus which contain words or phrases such as “will”, “aim”, “is likely to result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”. Also, statements which describe our strategies, objectives, plans or goals are also forward looking statements.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. These statements are based on our management’s beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

1. General economic and business conditions in India;
2. Disruption in our manufacturing facilities.
3. Company’s ability to successfully implement its growth strategy and expansion plans, and to successfully launch
4. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
5. Inability to successfully obtain registrations in a timely manner or at all;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Intensified competition in industries/sector in which we operate;
12. Our ability to successfully implement our growth strategy and expansion plans;
13. Our ability to attract, retain and manage qualified personnel;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse outcome in the legal proceedings in which we are involved;
17. Our ability to expand our geographical area of operation;
18. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “Risk Factors”; “Our Business” & “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 15, 95 & 173 respectively of the Draft Prospectus. 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.

There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance.

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates 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 requirements, our Company and the Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.



SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 95 and 173, respectively, as well as the other financial and statistical information contained in this Draft Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.

If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, 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 financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment 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 this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.

This Draft Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors below. However, there are risk factors the potential effects of which are not quantifiable and therefore no quantification has been provided with respect to such risk factors. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Issue, including the merits and the risks involved. You should not invest in this Issue unless you are prepared to accept the risk of losing all or part of your investment, and you should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares.

In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 15 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 173 respectively of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.

INTERNAL RISK FACTORS

1. Our Company are involved in certain legal proceedings, which, if determined against us could have a material effect on our financial condition and results of operations.

There are certain legal proceedings against our Company. These proceedings are pending at different levels of adjudication before various statutory authorities, courts and tribunals. However, we cannot assure you that these matters will be settled in favor of our Company that no further liability will arise out of these claims.

The summary of material outstanding litigation in relation to direct tax matters, indirect tax matters and actions by regulatory/statutory authorities against our Company as on the date of this Draft Prospectus have been set out below.

Litigation against our Company:-

Nature of Litigation	Number of Cases Outstanding	Amount Involved (in Lacs)
Criminal Litigation	--	--
Action against Statutory & Regulatory Authorities	--	--
Taxation Liabilities (Direct Tax & Indirect tax)	2	158.64
Other Pending Litigation	2	Not Ascertainable



Litigation filed by our Company:-

Nature of Litigation	Number of Cases Outstanding	Amount Involved (in Lacs)
Criminal Litigation	--	--
Action against Statutory & Regulatory Authorities	--	--
Taxation Liabilities (Direct Tax)	--	--
Other Pending Litigation	1	Not Ascertainable

For further details, see “Outstanding Litigation and Material Developments” beginning on page 187 of this Draft Prospectus.

2. *If we are not able to obtain, renew or maintain the statutory and regulatory permits and approvals required to operate our business it may have a material adverse effect on our business.*

We require certain statutory and regulatory permits, licenses and approvals to operate our business. Though we believe that we have obtained other 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.

Our operations are subject to many environmental laws and regulations in Maharashtra in which we operate. Such laws and regulations govern, among other things, air emissions, wastewater discharges, waste disposal and the investigation and remediation of soil groundwater contamination. Additionally, we believe that we will be able to renew or obtain such registrations and approvals or permissions, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations.

For further details see section on “Government and Other Approvals” beginning on page 191 of the Draft Prospectus.

3. *Our business is subject to extensive regulation. If we fail to comply with the applicable regulations prescribed by governments and regulatory agencies, our business, results of operations and financial condition could be adversely affected.*

We operate in a highly regulated industry and our operations are subject to extensive regulation in which we do business. We have ongoing obligations to regulatory authorities i.e. Bombay Prohibition Act 1949, Water Prevention & Control of Pollution Act, 1974, Air Prevention & Control of Pollution Act, 1981 and Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines in those jurisdictions. For example our manufacturing facilities and sales of our product are subject to verification process by State Excise Inspector. If any inspection results in alerts, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations.

The directive principles of our constitution states that the Government should endeavour to implement the prohibition of the manufacturing of absolute alcohol from rectified spirit across the country as we provide raw material to Chemicals Industry also. While we believe that the likelihood of prohibition is low, prohibition by a State Government in any of the States in which we operate could happen. Any such prohibition would have a significant effect on the results of our operations and on our ability to operate our business in such State.

If we fail to comply with applicable statutory or regulatory requirements, there could be a delay in the submission or grant of renewal for the manufacturing of our products. Moreover, if we fail to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, the relevant regulatory body may suspend, curtail or revoke our ability to market such products or impose fines upon us which will adversely affect operation of our Company.



4. There are certain discrepancies noticed in some of our corporate records relating to forms filed with the Registrar of Companies.

Our Company has in the past not complied with certain provisions of the Companies Act, 1956 and the Companies Act, 2013, For instance, the forms which was filed in registrar of Companies have some factual discrepancy and errors and also belatedly filed. Also some of forms related to appointment of auditor and registering of resolution for allotment of shares was not filed with Registrar of Companies. Additionally, in the past company have received show cause notice from Ministry of Corporate Affairs Cost Audit Branch related to cost audit report not filled by the company for the financial year 2011-12 and 2012-13 later on company filled the respective returns to Ministry of Corporate Affairs. Further our Company has given to loan to Directors. Additionally our Company may have not complied with some Accounting Standard For instance, Accounting Standards 5, 11 and 15 However, now the Company has made necessary provision for gratuity as per AS 15 and complied with AS 5, and AS 11 in the re-stated financial statements of the Company for the five years. Also the company has not paid the Stamp duty on some of allotment of Shares. For further details on the same please refer section “Financial Information of the Company” beginning on page no. 141 of this Draft Prospectus.

Although except as disclosed above, no show cause notice have been issued against our Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, actions may be taken against our Company and its directors, in which event the financials of our Company and our directors may be affected. Also with the expansion of our operations there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

5. Any shortfall in the supply of our raw materials or an increase in raw material costs or other input costs may adversely impact the pricing and supply of our products and have an adverse effect on our business.

Raw materials such as Rectified Spirit which are used to manufacture of Ethyl Alcohol/ Absolute Alcohol Hydrous, Anhydrous Ethyl Alcohol and Extra Neutral Alcohol are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, changes in government programs and regulatory sanctions. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products. Additionally there is a risk that one or more of these existing suppliers could discontinue their operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements. Any increase in raw material prices will result in corresponding increases in our product costs.

For details of our raw material, Please refer to chapter titled “Our Business” beginning on Page 95 of this Draft Prospectus.

6. If there is a change in policies related to tax, duties or other such levies applicable to us, it may affect our results of operations.

We benefit from certain tax regulations and incentives that accord favorable treatment to our manufacturing facilities. These tax benefits include income tax deductions and Goods and Service Tax credit. For details regarding income tax deductions, please refer to the chapter “Statement of Tax Benefits” on page 77 of this Draft Prospectus. New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business prospects, results of operations and financial condition.

7. Any delay in production at, or shutdown of our manufacturing facilities, could adversely affect our business, results of operations and financial condition.

The success of our manufacturing activities depends on, among other things, the productivity of our workforce, compliance with regulatory requirements and the continued functioning of our manufacturing processes and machinery. Disruptions in our manufacturing activities could delay production or require us to shut down the affected manufacturing facility. Moreover, our products are permitted to be manufactured at our factory that have received specific approvals, and any shut down of such factory will result in us being unable to manufacture such products for the duration of such shut down. Such an event will result in us being unable to meet with our contractual commitments, which will have an adverse effect on our business, results of operation and financial condition.



Additionally, any interruption at our manufacturing facility, including natural or man-made disasters, workforce disruptions, regulatory approval delays, fire or the failure of machinery, could reduce our ability to meet the demand, which could adversely affect our business prospects, results of operations and financial condition. We manufacture highly flammable materials i.e. ethanol and are therefore subject to the risk of loss arising from fire or explosions. Although we have implemented industry acceptable risk management controls at our manufacturing location and continuously seek to upgrade them, the risk of fire or explosion associated with these materials cannot be completely eliminated.

8. *We are yet to apply for registrations in connection with the protection of our intellectual property rights, especially our trademark. Such failure to protect our intellectual property rights could adversely affect our competitive position, business, financial condition and profitability.*

We are yet to apply for registrations of our trademark in connection with the protection of intellectual property rights. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. For details please refer to the chapter “Government and other Approvals” on page 191 of this Draft Prospectus. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our trademarks are registered, we may only get passing off relief for our Trademarks, if used by others, which could materially and adversely affect our business. Similarly, in case our trademark are rejected or objected, this could adversely affect our competitive position, business, financial condition and profitability.

Further, if our unregistered trademarks are registered in favour of a third party, we may not be able to claim registered ownership of such trademarks, and consequently, we may be unable to seek remedies for infringement of those trademarks by third parties other than relief against passing off by other entities. Our inability to obtain or maintain registration may adversely affect our competitive business position.

9. *Loss of major clients or the deterioration of their financial condition or prospects could have a material adverse effect on our business.*

The business contribution of our top ten clients for the financial period ended on December 31, 2017 is 76.63% of our Revenue from Operations. For further details of our top ten Customer, please refer chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of operations” on page 173 of this Draft Prospectus. Also in the year 2015-16 and 2016-17, approximately 30-50% of our total turnover are with one customer. While our strategy is intended to enable us to increase our revenues and earnings from our major customer. In addition, our customers are industries that may experience adverse business and financial conditions during economic downturn. The deterioration of the financial condition or business prospects of these customers could reduce their need for our Product, and result in a significant decrease in the revenues and earnings we derive from these customer.

Additionally, we are also exposed to payment delays and/or defaults by our customers and our financial position and financial performance are dependent on the creditworthiness of our customers. There is no guarantee that all or any of our customers will honour their outstanding amounts in time and whether they will be able to fulfill their obligations, due to any financial difficulties, cash flow difficulties, deterioration in their business performance, or a downturn in the global economy. If such events or circumstances occur from all or any of our major customer, our financial performance and our operating cash flows may be adversely affected.

10. *We do not have any long-term agreement or contract for supply of raw material & consequently are exposed to price and supply fluctuations for our raw materials.*

We are, to a major extent, dependent on external suppliers for our raw materials requirements and we do not have any long-term supply agreements or commitments in relation to the same or for any other raw materials used in our manufacturing process. Consequently, we are exposed to price and supply fluctuations in our raw materials, and these fluctuations may adversely affect our ability to obtain orders and/or to execute them in a timely manner, which would have a material adverse effect on our business, results of operations and financial condition.

In case of non-availability of raw materials on favourable terms we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material and job worker or due to inability to procure the same. Further, unfavorable terms of raw materials may also force us to reduce the scale of our operations



resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our business will be adversely affected.

11. We have experienced negative cash flows in previous years. Any operating losses or negative cash flows in the future could adversely affect our results of operations and financial conditions

The details of Cash flows of our Company are as follows:

Particulars	For the Period ended December 31, 2017	For the year ended (in Lacs)				
		31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Cash flow from Operating Activities	(136.72)	633.07	(248.97)	(853.03)	470.81	(4.00)
Net Cash flow from Investing Activities	(34.17)	(661.71)	(84.37)	(190.93)	141.41	(65.14)
Net Cash flow from Financing Activities	176.66	(7.69)	287.90	892.98	(374.17)	54.07

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. For more information, regarding Cash flows please refer “Annexure III” in chapter titled “Financial Information of the Company” beginning on page 141 of this Draft Prospectus.

12. Our performance may be adversely affected if we are not successful in assessing demand for our products and managing our inventory.

Our inventory is influenced by our production requirements, shelf life of the raw material, expected sourcing levels and changes in our product sales mix. It is important for us to anticipate demand for our products and any failure to anticipate, identify, interpret and react on the basis of anticipated/ desired demand or our failure to generate consumer acceptance, could lead to, among others, reduced demand for our products, which can adversely affect our results of operations.

Efficient inventory management is also a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels to meet demand for our products, without allowing those levels to increase to such an extent that the costs associated with storing and holding the inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels or our expectations about demand for our products are inaccurate, we may either not be able to manufacture products to service the demands, resulting in having market share to competitors or would have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. For more information please refer to the chapter “Management’s Discussion and Analysis of Financial Condition and Result of Operations” on page 173 of this Draft Prospectus.

13. Our lenders have imposed certain restrictive conditions on us under our financing arrangements. Non receipt of such consent could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. 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 consents necessary to take the actions that we believe are required to operate and grow our business.

For further details in this regard, please refer chapter “Statement of Financial Indebtedness” on page 171 of this Draft Prospectus.



14. Based on certain qualifications noted by our auditors, there are deficiencies in certain aspects of non-deposit of undisputed dues.

In connection with the audits of our financial statements, our Auditors have reported a qualification in respect to matters specified in the Companies (Auditors Report) Order, as amended, in the annexure to their audit reports for each of fiscal 2013 and 2014 that the undisputed dues are not deposited which were due for more than six months. The existence of such deficiencies could cause the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

For further details, Please refer chapter titled “Financial Information of the Company” beginning on Page 141 of this Draft Prospectus

15. We are susceptible to volatility of prices of products marketed by us, including due to Competitive products.

Prices of the products marketed by us are subject to fluctuation, depending on, among other factors, the number of producers and their production volumes and changes in demand in the markets we serve. Volatility in price realization and loss of customers may adversely affect our profitability. Further, there is no assurance that we will be able to maintain our low cost of operations or to further reduce costs or develop new cost effective processes in the future, owing to factors beyond our control.

For further details of our Products, Please refer to chapter titled “Our Business” beginning on Page 95 of Draft Prospectus.

16. Some of our Directors and our Key Management Personnel do not have documents for their educational qualifications and professional experience, as disclosed in the section entitled “Our Management”.

In accordance with the disclosure requirements stipulated under the SEBI Regulations, the brief biographies of our Directors and Key Management Personnel disclosed in the section entitled “Our Management” on page 122 of this Draft Prospectus include details of their educational qualifications and professional experience. However, the original documents evidencing such educational qualifications and professional experience are not available with respect to some of our Directors and Key Management Personnel specifically for Mrs. Sneha Shamrao Arbatti. Accordingly, we have relied on affidavits provided by such Directors and Key Management Personnel to verify the authenticity of such disclosures.

17. We could become liable to our customers, suffer adverse publicity and incur substantial costs as a result of defects in our products, which in turn could adversely affect our sales and could be diminished if we are associated with negative publicity.

Any failure or defect in our products could result in a claim against us for damages, regardless of our responsibility for such a failure or defect. Although we attempt to maintain quality standards, we cannot assure that all our products would be of uniform quality, which in turn could adversely affect the value of our Products, and our sales could be diminished if we are associated with negative publicity. Also, our business is dependent on the trust our customers have in the quality of our products. Any negative publicity regarding our company, or products, including those arising from a drop in quality of merchandise from our vendors, mishaps resulting from the use of our products, or any other unforeseen events could affect our reputation and our results from operations.

For further details of our Products, Please refer to chapter titled “Our Business” beginning on Page 95 of Draft Prospectus.

18. Our Promoter has 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 provided by our Promoter.

Our Promoter has provided personal guarantees policies 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 may be invoked, which could negatively impact the reputation of our Company. 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 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 “Statement of Financial Indebtedness” on page no. 171 of this Draft Prospectus.

19. Contingent liabilities could adversely affect our financial condition.

As of December 31, 2017, our contingent liabilities were ₹ 7.63 lacs for pending demand of Indirect tax. As we believe these claims will be dismissed, no provision has been recorded in our books of account. Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details of contingent liabilities, please refer section titled “Financial Information of the Company” beginning on page 141 of Draft Prospectus.

20. Our success depends on our ability to retain and attract key qualified personnel and, if we are not able to retain them or recruit additional qualified personnel, we may be unable to successfully develop our business.

Our Directors and key managerial personnel collectively have vast experience in the industry and are difficult to replace. They provide expertise, which enables us to make well informed decisions in relation to our business and our future prospects. Our success largely depends on the continued services and performance of our management and other key personnel. The loss of service of our Directors and other senior management could seriously impair the ability to continue to manage and expand the business efficiently. Also, the loss of any of the management or other key personnel may adversely affect the operations, finances and profitability of our Company. Any failure or inability of our Company to efficiently retain and manage its human resources would adversely affect our ability expand our business.

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations. For further details of our Directors and key managerial personnel, please refer to Section “Our Management” on page 122 of this Draft Prospectus.

21. Some of our corporate records including minutes and forms filed with the Registrar of Companies are not traceable.

Our Company is unable to trace certain corporate and other documents in relation to our company including forms filed with Registrar of Companies and minutes prior to the year 2006. Due to Change in methods of records keeping on account of technological advancement and computerization, over the years, certain forms file with ROC prior to the year 2006 like Return of Allotment pertaining to year 1999-2000, Registration of Resolutions, annual return, Financial Statements etc. could not be traced by our company. Further online filing of Roc Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company are correct. Also our Company may not in position to attend to and / or respond appropriately to any legal matter due to lack of lost/ destroyed records and to that extend the same could adversely affect our business operation.

22. Failure of our machines, information technology and other technological systems could significantly increase testing turnaround time and otherwise disrupt our operations.

Our business depends on the continued performance of our information technology systems, including our vapor phase molecular sieve dehydration technology. Our technological systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Modernization and technology up gradation is essential to reduce costs and increase the output. Our manufacturing technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed upgraded technology in form of molecular sieve dehydration technology suitable for Absolute Alcohol manufacturing and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology updated. In case of a new found technology in the Absolute Alcohol manufacturing business, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations. For further details, kindly refer section titled “Our Business” beginning on page no. 95 of this Draft Prospectus.



23. We may not be able to effectively implement our business and growth strategies and achieve future growth.

We operate in a dynamic industry, and on account of changes in market conditions, industry parameters, technological improvements or changes and any other relevant factors, our management continually assesses our strategies to position our Company for future growth. Our growth strategies and plans may undergo changes or modifications from time to time, and such changes or modifications may be substantial, and may even include limiting or foregoing growth opportunities if the situation so demands.

The future success of our business will depend greatly on our ability to continue to effectively implement our business and growth strategies, including our ability to continuously develop and improve our operational, financial and other controls, none of which can be assured. Any failure on our part to implement our business strategies, including the scaling of our operations to correspond with our business strategy, could be detrimental to our long-term business outlook and our growth prospects and materially and adversely affect our business, results of operations and financial condition.

24. The Company has not made any provision for decline or revalued in value of Investment of the Company.

Our Company has investment in Shares of Vidya Sahakari Bank Limited, Yavatmal Urban Co-operative Bank Limited and Janata Sahakari Bank Limited for a consideration of Rs. 41.62 Lacs as on December 31, 2017. We have not made any provision for this Increase or decrease in the value of investments, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an adverse impact on our results of operations and financial conditions.

For further details regarding Investments of our Company, please refer “Financial Information of the Company” on page no. 141 of this Draft Prospectus.

25. Our business is seasonal in nature and may be adversely affected by severe weather conditions, could adversely affect our business, results of operations and financial condition.

Our business is seasonal in nature and may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services and it may result in damage to a portion of our production of Rectified Spirit from sugar factory which is used as raw material for manufacture of spirit i.e. Ethyl Alcohol/ Absolute Alcohol Hydrous, Anhydrous Ethyl Alcohol and Extra Neutral Alcohol. Our operations are also adversely affected by difficult working conditions and extremely heavy rains during monsoon and other weather conditions, which restrict our ability to carry on business activities and fully utilize our resources. Our business is seasonal, therefore our revenues and profitability may vary significantly from quarter to quarter

For further details, Please refer to chapter titled “Our Business” and “Management’s Discussion & Analysis of Financial Conditions & Results of operations” beginning on Page 95 & 173 of Draft Prospectus.

26. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service and are subject to certain conditions and restrictions in terms of our financing arrangements, which restricts our ability to conduct our business and operations in the manner we desire.

As of December 31, 2017, our long term borrowings were ₹ 643.30 Lacs & short term borrowings were ₹ 2047.35 Lacs and we will continue to incur additional indebtedness in the future. Additionally our loans is finance by way of consortium between Janata Sahakari Bank Ltd, Yavatmal Urban Co-op Bank Ltd. and Wardha Nagari Sahakari Adhikosh Bank. Our level of indebtedness has important consequences to us, such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our ability to borrow additional amounts in the future;
- affecting our capital adequacy requirements; and
- Increasing our finance costs.

In the event we breach any financial or other covenants contained in any of our financing arrangements or in the event we had breached any terms in the past which is noticed in the future, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Also working capital borrowing are utilised for capital expenditure in some cases. If the lenders of a material amount of the outstanding loans declare an event of default simultaneously, our Company may be unable to pay its debts



when they fall due. For further details of our Company's borrowings, see "Statement of Financial Indebtedness" on page 171 of this Draft Prospectus.

27. Any Penalty or demand raise by statutory authorities in future will affect our financial position of the Company.

Our Company is mainly engaged in business of manufacturing of Ethyl Alcohol/ Absolute Alcohol Hydrous, Anhydrous Ethyl Alcohol and Extra Neutral Alcohol which attracts tax liability such as Excise Duty, Sales Tax, Goods and Service Tax and other applicable provision of the Acts. However the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position of the Company. For detail of our demands, Please refer "Outstanding Litigation and Material Development" beginning on page 187 of Draft Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

28. Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies and Entities. Our Company in the past has entered into Related Party Transactions and may continue to do so in future also, which may adversely affect our competitive edge.

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies and Entities. These transactions, inter-alia includes sale of goods, remuneration, loans and advances, etc. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse effect on results of our operations. For details please refer to Annexure R on Related Party Transactions of the Auditor's Report under Section titled "Financial Information of the Company" beginning on page no. 141 of this Draft Prospectus.

29. India has stringent labour legislations that protect the interests of workers, and if our Employees unionize, we may be subject to industrial unrest, slowdowns and increased wage costs.

India has stringent labor legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Although our employees are not currently unionized, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and our business may be adversely affected. Further, most of our businesses operate in a labour-intensive industry. If we are unable to negotiate with the workmen or the contractors, it could result in work stoppages or increased operating costs as a result of higher than anticipated wages or benefits. In addition, we may not be able to procure required casual labour for our existing or future businesses. Additionally, a large number of labourers we employ come from different parts of India. There is a trend among these labourers to return to their home states after a short period of time. If we are unable to substitute these labourers when required, our business, financial conditions, results of operations and cash flow could be adversely affected.

30. The Promoters and Directors hold Equity Shares in our Company and are therefore interested in the Company's performance in addition to their remuneration and reimbursement of expenses.

Our Directors (including our Promoters) are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, to the extent of their shareholding in our Company. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board of Directors and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

31. The preparation requirement and presentation format of financial statements of our Company subsequent to the listing of its Equity Shares will not be in the same manner and format as being prepared and presented for this Draft Prospectus.

Our audited financial statements are prepared in accordance with Indian GAAP & the applicable provisions of the Companies Act and the Restated Financial Information included in this Draft Prospectus are restated in accordance with the applicable provisions of Companies Act and relevant SEBI ICDR Regulations, as amended from time to time. In order to comply with the requirements



applicable to public companies in India, subsequent to our Equity Shares getting successfully listed on the Stock Exchanges, we will be required to prepare our annual and half year financial statements in terms of the Companies Act, SEBI Listing Regulation, 2015 and Indian GAAP or Ind AS, as applicable. The preparation requirement and the presentation format prescribed under the SEBI ICDR Regulations for Restated Financial Information differs in certain respects from Indian GAAP and Ind AS. Therefore, the preparation and presentation of our financial statements post-listing may be not be comparable with, or may be substantially different from, the manner in which the Restated Financial Information is being disclosed in this Draft Prospectus.

32. Our insurance coverage may be inadequate to cover all possible economic losses and liabilities associated with our business.

We believe that our company have maintain insurance coverage in the amount that is commercially appropriate, we may not have sufficient insurance coverage to cover all economic losses, including when the loss suffered is not easily quantifiable and when our reputation has been damaged. Our insurance coverage includes insurance against damage, loss of profit and business interruption, and third party liability. The list of insured accidents includes risk of damage caused as a result of assets, burglary, fire and special perils. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Any large uninsured loss or insured loss which significantly exceeds the insurance coverage could adversely affect our business, financial condition, results of operations and prospects. For further details of insurance, please refer section titled “Our Business” beginning on page no. 95 of this Draft Prospectus.

33. Our business operations may be disrupted by an interruption in power supply which may impact our business operations.

Our operations involve a significant amount of power supply as our raw materials and manufacturing process requires continues supply of power. Our product is manufactured by way of continuous distillation using automatic system which runs on continuous power supply. We depend on State electricity supply for our power requirements. An interruption in power supply may occur in the future as a result of any natural calamity, technical fault, and shortage of power or other factors beyond our control. This could also result in an increase in the cost of power. We are also dependent on the availability of adequate water for use in our production processes. Lack of sufficient power or water resources or an increase in the cost of such power and water may adversely affect our business, results of operations and financial condition.

34. Any disruption in transportation arrangements or increases in transportation costs may adversely affect our results of operations.

Our Company uses third party transportation providers for delivery of our raw materials i.e. Rectified Spirit and finished products i.e. Absolute Alcohol. Though our business has not experienced any disruptions due to transportation strikes in the past, any future transportation strikes may have an adverse effect on our business. These transportation facilities may not be adequate to support our existing and future operations. In addition raw materials/ finished products may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery products which may also affect our business and results of operation negatively. An increase in the freight costs or unavailability of freight for transportation of our raw materials may have an adverse effect on our business and results of operations.

Further, disruptions of transportation services due to weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, or other events could impair ability to procure raw materials on time. Any such disruptions could materially and adversely affect our business, financial condition and results of operations.

35. Any delay in the schedule of implementation for Net Proceeds may have an adverse impact on our profitability.

Our schedule of implementation for the use of Net Proceeds may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs in form of interest for secured loan. Such time and cost overruns may adversely impact our business, financial condition, results of operation and cash flows. For details of our current schedule of implementation, kindly refer our schedule of implementation in chapter “Object of the Issue” on page 68 of Draft Prospectus.



36. *Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 68 of this Draft Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.*

We intend to use entire fresh Issue Proceeds towards Working capital requirement, general corporate purpose and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2017-18 & 2018-19 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “Objects of the Issue” beginning on page 68 of this Draft Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 68 of this Draft Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilization of the proceeds of this Issue.

37. *We cannot guarantee the accuracy of statistical, financial and other data or information in this Draft Prospectus which may be incomplete or unreliable.*

Certain data relating to our business, matters relating to India, its economy or the industries in which we operate as contained in this Draft Prospectus are subject to the condition that the statistical and other data upon which such discussions are based may be incomplete or unreliable which have been assessed and quantified internally by our Company as no other credible third party sources are available for such data. We have not independently verified data from industry publications and other sources and therefore cannot assure that they are complete or reliable. The assessment of the data is based on our understanding, experience and internal estimates of our business. Although we believe that the data can be considered to be reliable, their accuracy, completeness and underlying assumptions are not guaranteed and their dependability cannot be assured. Statistical and other information in this Draft Prospectus relating to our business, matters relating to India, the Indian economy or the industries in which we operate have been derived from various government and other publications that we believe to be reliable.

38. *Failure to comply with environmental laws and regulations could lead to unforeseen environmental litigation which could impact our future net earnings.*

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the cleanup of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of a new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain jurisdictions, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contaminated sites can be imposed retroactively, on a joint and several basis, and without any finding of non-compliance or fault. The amount and timing of costs under environmental laws are difficult to predict.

39. *Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on factual data and proposed capacity is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.*

Information relating to our production capacities and the historical capacity utilization of our production facilities included in this Draft Prospectus is based on factual data of past years and proposed capacity utilization is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials, assumptions



relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or capacity utilization information of our facilities. Undue reliance should therefore not be placed on our production capacity or estimated capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled “Our Business” on page 95 of this Draft Prospectus.

40. The average cost of acquisition of Equity Shares by our Promoters could be lower than the Issue Price.

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “Capital Structure” beginning on pages 52 of this Draft Prospectus.

41. We have not paid any dividends in the last five Financial Years. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

Our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section “Dividend Policy” on page 140 of this Draft Prospectus.

42. We will continue to be controlled by our Promoters and Promoter Group after the listing of the Equity Shares in the Issue.

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, 69.92% of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders. For details of our shareholding please refer section titled “Capital Structure” beginning on page no. 52 of this Draft Prospectus.

43. You will not be able to immediately sell any of the Equity Shares you subscribe to in this Issue on an Indian stock exchange.

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Issue have been allotted. Approval will require all other relevant documents authorizing the sale of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the Indian Stock Exchanges.

The Equity Shares are proposed to be listed on the Indian Stock Exchanges. Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading can commence. Investor’s “book entry”, or “demat”, accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within 6 Working Days from Issue Closing Date.

We cannot assure you that the Equity Shares will be credited to the investor’s demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.



44. We have issued Equity Shares in the last 12 months at a price which may be lower than the Issue Price.

We have issued Equity Shares in the last 12 months, including Bonus Issue, which may be at a price lower than the Issue Price. For further details, see the section entitled “Capital Structure” on page 52 of this Draft Prospectus. We may continue to issue Equity Shares, at a price below the market price of Equity Shares at the time of issuance. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

45. Our operations may be adversely affected in case of industrial accidents at our production facility.

Usage and handling of machinery or any sharp part of any machinery by labour during production process, handling of chemicals and materials, short circuit of power supply for machines, etc. may result in accidents and fires, which could cause indirect injury to our labour, employees, other persons on the site and could also damage our properties thereby affecting our operations. Further our plants and machinery and personnel may not be covered under adequate insurance for occurrence of particular types of accidents which could adversely hamper our cash flows and profitability.

46. We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.

Employee misconduct or errors could expose us to business risks or losses, including regulatory sanctions and cause serious harm to our reputation. There can be no assurance that we will be able to detect or deter such misconduct. Moreover, the precautions we take to prevent and detect such activity may not be effective in all cases. Our employees may also commit errors that could subject us to claims and proceedings for alleged negligence, as well as regulatory actions on account of which our business, financial condition, results of operations and goodwill could be adversely affected.

47. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. In accordance with the foreign exchange regulations currently in force in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements specified by the RBI. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. For further details, see the section entitled “Restrictions on Foreign Ownership of Indian Securities” on page 254 of Draft Prospectus.

48. There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.

Following the Issue, our listed Equity Shares will be subject to a daily “circuit breaker” imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on the Equity Shares’ circuit breaker will be set by the stock exchanges based on historical volatility in the price and trading volume of the Equity Shares. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares at any particular time.

49. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (“STT”) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realized on the sale of equity



shares held for more than 12 months, which are sold other than on a recognized stock exchange and on which no STT has been paid to an Indian resident, will be subject to long term capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares.

50. Any future issuance of Equity Shares may dilute your shareholding, and significant sales of Equity Shares by our major shareholders, may adversely affect the trading price of our Equity Shares.

Future issuances of equity shares by our Company or significant sales of Equity Shares after this Issue will dilute investor's holdings in our Company. In addition, the perception that such issuance or sales may occur may adversely affect the trading price of our Equity Shares and impair our future ability to raise capital through offerings of Equity Shares. We cannot predict the effect that significant sales of Equity Shares by major Equity Shareholders or the availability of significant numbers of our Equity Shares for future sale may have on the trading price of our Equity Shares.

EXTERNAL RISK FACTORS

51. Our business is substantially affected by prevailing economic, political and others prevailing conditions in India.

Our Company is incorporated in India, and the all of our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- Any increase in Indian interest rates or inflation;
- Any exchange rate fluctuations;
- Any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions;
- Prevailing income conditions among Indian consumers and Indian corporations;
- Volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- Changes in India's tax, trade, fiscal or monetary policies;
- Political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries;
- Occurrence of natural or man-made disasters;
- Prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or its Distillation sector.

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

52. Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations.

Our business and industry is regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

53. The Companies Act, 2013 has effected significant changes to the existing Indian company law 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 recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have 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, disclosures in prospectus, corporate governance norms, 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 forward dealing. To ensure compliance with the requirements of the Companies Act, 2013, 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 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. We may face difficulties in complying with any such overlapping requirements. Further, we cannot currently determine the impact of provisions of the Companies Act, 2013 which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

54. Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI ICDR Regulations contained in this Draft Prospectus.

As stated in the reports of the Auditor included in this Draft Prospectus under chapter “Financial Information of the Company” on page 141 the financial statements included in this Draft Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI ICDR Regulations, and no attempt has been made to reconcile any of the information given in this Draft Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Prospectus. Accordingly, the degree to which the financial information included in this Draft Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Prospectus should accordingly be limited.

55. Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the Central or State Governments in India that affect our industry include:

- Custom duties on imports of raw materials and components;
- Excise duty on certain raw materials and components;
- Central and state sales tax, value added tax and other levies; and
- Other new or special taxes and surcharges introduced on a permanent or temporary basis from time to time.

These taxes and levies affect the cost and prices of our products and therefore demand for our product. An increase in any of these taxes or levies, or the imposition of new taxes or levies in the future, may have a material adverse effect on our business, profitability and financial condition.

56. Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.

The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the information technology sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.



57. *We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and Ethanol industry contained in this Draft Prospectus.*

While facts and other statistics in this Draft Prospectus relating to India, the Indian economy and the Ethanol industry has been based on various government publications and reports from government agencies that we believe are reliable, we cannot guarantee the quality or reliability of such materials. While we have taken reasonable care in the reproduction of such information, industry facts and other statistics have not been prepared or independently verified by us or any of our respective affiliates or advisors and, therefore we make no representation as to their accuracy or completeness. These facts and other statistics include the facts and statistics included in the chapter titled “Industry Overview” on page 79 of this Draft Prospectus. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy, as the case may be, elsewhere.

58. *Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock price.*

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

59. *Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.*

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

60. *Terrorist attacks, civil unrests and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.*

Any major hostilities involving India or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India’s economy and our business. Incidents such as the terrorist attacks, other incidents such as those in US, Indonesia, Madrid and London, and other acts of violence may adversely affect the Indian stock markets where our Equity Shares will trade as well the global equity markets generally. Such acts could negatively impact business sentiment as well as trade between countries, which could adversely affect our Company’s business and profitability. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

Prominent Notes:

1. Public Issue of 36,60,000 Equity Shares of Face Value of Rs. 10/- each of Sterling Chemicals and Alcohols Limited (“SCAL” or “Our Company” or “The Issuer”) for Cash at a Price of Rs. 34/- Per Equity Share (Including a Share Premium of Rs. 24/- per Equity Share) (“Issue Price”) aggregating to Rs. 1244.40 Lacs, of which 1,88,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. 34/- aggregating to Rs. 63.92 Lacs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 34,72,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. 34/- aggregating to Rs. 1180.48 Lacs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 30.08% and 28.54% respectively of the Post Issue paid up Equity Share Capital of Our Company.
2. This Issue is being made for at least 25 % of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the



SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue 'the allocation' is the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - (i) Individual applicants other than retail individual investors; and
 - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

3. The Net worth of our Company as on December 31, 2017, March 31, 2017 and March 31, 2016 was Rs. 1040.41 Lacs, Rs. 942.54 Lacs and Rs. 791.09 Lacs respectively. For more information, see the section titled "Financial Information of the Company" beginning on page 141 of this Draft Prospectus.
4. The NAV / Book Value per Equity Share, based on Restated Financials of our Company as on December 31, 2017, March 31, 2017 and March 31, 2016 was Rs. 30.58/- , Rs. 277.02/- and Rs. 232.50/- per equity share respectively. For more information, see the section titled "Financial Information of the Company" beginning on page 141 of this Draft Prospectus.
5. The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (Rs)
Mr. Jayant Shamrao Arbatti	46,28,925	5.31
Mrs. Sneha Jayant Arbatti	38,75,950	5.79

6. The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled "Financial Information of the Company- Annexure R- Statement of Related Parties Transactions, on page no. 165 of Draft Prospectus.
7. No Group companies have any business or other interest in our Company, except as stated in section titled "Financial Information of the Company - Annexure R - Statement of Related Parties Transactions, as Restated" on page 165 and "Our Group Companies" on page 139 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.
8. Our Company was originally incorporated on July 04, 1991 as "Sterling Chemicals and Alcohols Private Limited" vide Registration no. 11-062354 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further our Company was converted into Public Limited Company and consequently name of company was changed from "Sterling Chemicals and Alcohols Private Limited" to "Sterling Chemicals and Alcohols Limited" vide resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 27, 2017 and a fresh certificate of incorporation dated October 16, 2017 issued by the Registrar of Companies, Pune.

For details of change in our name, please refer to Section titled "History and Certain Corporate Matters" on page 117 of this Draft Prospectus.

9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Draft Prospectus.
10. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.



11. Investors are advised to see the paragraph titled “Basis for Issue Price” beginning on page 74 of this Draft Prospectus.
12. The Lead Manager and our Company shall update this Draft Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Draft Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Corporate Capitalventures Private Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “Basis of Allotment” beginning on page 246 of this Draft Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. BSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “Our Management” beginning at page 122 chapter titled “Our Promoter & Promoter Group” beginning at page 135, and chapter titled “Financial Information of the Company” beginning at page 141 of this Draft Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “Financial Information of the Company” beginning on page 141 of this Draft Prospectus.



SECTION III – INTRODUCTION

SUMMARY OF OUR INDUSTRY

GLOBAL OUTLOOK

Global growth for 2016 is now estimated at 3.2 percent, slightly stronger than the April 2017 forecast, primarily reflecting much higher growth in Iran and stronger activity in India following national accounts revisions. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively, with global growth projected to be 3.5 percent, unchanged from the April forecast. The growth forecast for 2018 is 1.9 percent for advanced economies, 0.1 percentage point below the April 2017 WEO, and 4.8 percent for emerging and developing economies, the same as in the spring. The 2018 global growth forecast is unchanged at 3.6 percent. The revisions reflect primarily the macroeconomic implications of changes in policy assumptions for the world's two largest economies, the United States and China, as discussed below.

Advanced economies:-

- The growth forecast in the United States has been revised down from 2.3 percent to 2.1 percent in 2017 and from 2.5 percent to 2.1 percent in 2018. While the markdown in the 2017 forecast reflects in part the weak growth outturn in the first quarter of the year, the major factor behind the growth revision, especially for 2018, is the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. Market expectations of fiscal stimulus have also receded.
- The growth forecast has also been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter.
- By contrast, growth projections for 2017 have been revised up for many euro area countries, including France, Germany, Italy, and Spain, where growth for the first quarter of 2017 was generally above expectations. This, together with positive growth revisions for the last quarter of 2016 and high-frequency indicators for the second quarter of 2017, indicate stronger momentum in domestic demand than previously anticipated.
- The growth forecast for 2017 was also revised up for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7 percent and indicators suggest resilient second-quarter activity, and marginally for Japan, where private consumption, investment, and exports supported first-quarter growth.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2017/07/07/world-economic-outlook-update-july-2017>)

INDIAN ECONOMY OVERVIEW

Economic growth of around 7½% makes India the fastest-growing G20 economy. The acceleration of structural reforms, the move towards a rule-based policy framework and low commodity prices have provided a strong growth impetus. Recent deregulation measures and efforts to improve the ease of doing business have boosted foreign investment. Investment is still held back by the relatively high corporate income tax rates, a slow land acquisition process, regulations which remain stringent in some areas, weak corporate balance sheets, high non-performing loans which weigh on banks' lending, and infrastructure bottlenecks. Quality job creation has been low, held back by complex labour laws.

A comprehensive tax reform would promote inclusive growth. Timely and effective implementation of the Goods and Services Tax would support competitiveness, investment and economic growth. Government's plans to reduce the corporate income tax rate and broaden the base will serve the same objectives. These two on-going reforms have been designed to be revenue-neutral while India needs to raise additional tax revenue to meet social and physical infrastructure needs. Property and personal income taxes, which are paid by very few people, could be reformed to raise more revenue, promote social justice and empower sub-national governments to better respond to local needs. Ensuring clarity and certainty in tax legislation and employing more skilled tax officers would strengthen the tax administration and make the system fairer and more effective.

Spatial disparities in living standards are large. India is reforming relations across levels of government to empower the states and make policies more responsive to local conditions. Some states have taken the lead in improving the ease of doing business and now enjoy higher productivity and income. Additional efforts to showcase reform efforts at the state level and identify best practices will



support the reform process and help achieve better and balanced regional development. In rural areas, poverty rates are high and access to core public services is often poor. Farm productivity is low owing to small and fragmented land holdings, poor input management, and inefficient market conditions. In urban areas, agglomeration benefits are quickly reduced by congestion costs, in particular air pollution and long commuting times, all of which reduce well-being.

Economic growth has recovered since 2014 and India has become the fastest-growing G20 economy, with annual growth rates around 7.5%. Private consumption in urban areas has been buoyed by prospects of higher public wages and pensions while government investment and consumption remained strong. The return to a normal monsoon in 2016, after two consecutive years of bad weather, is supporting a recovery in agricultural income and rural consumption. The demonetisation has impacted consumption and other macroeconomic parameters, at least temporarily. Despite sustained public investment, total investment declined in real terms in the first half of 2016. Exports fell in the second half of 2014 and 2015 as external demand was weak and the real effective exchange rate appreciated. The hike in excise duties on precious metals, combined with the drop in demand from oil exporting countries, also hurt jewellery exports which account for 15% of total merchandise exports. However, exports bounced back early in 2016 and export orders are growing

Robust growth has been accompanied by a rapid decline in inflation and the current account deficit. As net commodity importer, India has benefitted significantly from the fall in commodity prices, which has lowered pressures on inflation, on the current account deficit and on public spending via lower subsidies. Inflation pressures have been further contained by lower increases in minimum support prices vis-à-vis the past, the active management of food stocks to avoid spikes in food prices, still low capacity utilisation in the industrial sector, and the change in monetary policy framework aimed at anchoring inflation expectations. The decline in merchandise imports - reflecting weak (import intensive) business investment, lower demand for gold and large terms of trade gains - has contributed to keeping the current account deficit below 2% of GDP. Net foreign direct investment has rebounded and will likely more than fully finance the current account deficit in 2016.

(Source - <http://www.oecd.org/eco/surveys/INDIA-2017-OECD-economic-survey-overview.pdf>)

INDIAN CHEMICAL INDUSTRY

The chemical industry, which includes basic chemicals and its products, petrochemicals, fertilizers, paints & varnishes, gases, soaps, perfumes & toiletries and pharmaceuticals is one of the most diversified of all industrial sectors covering thousands of commercial products. It plays an important role in the overall development of the Indian economy.

The specialty chemical segment has grown at about 11% p.a. over the XIth plan period (FY07 to FY11). The industry is currently valued at \$18 billion and is an important growth driver for Indian economy. This segment has the potential to reach \$38 billion end of XIIth five year plan period growing at a rate of 13-14%.

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but which are required in almost all walks of life. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals.

The chemical industry's R&D spends would need to go up significantly from current levels of less than 0.5% of sales to reach closer to global benchmarks of 4% of sales (implying R&D spends of ~\$12 billion by 2017). On the human resources front, adequate educational infrastructure would be required to impart vocational training to develop additional 4.5 to 5 million skilled workers by 2017. Over 15 years, employment potential could range between 8-9 million jobs.

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/335/1,
http://chemicals.nic.in/sites/default/files/XIth%20Five%20Year%20Plan-Yr%202011_0.pdf)

Growth of Chemical Industry

The chemical sector has witnessed growth of 13-14% in the last 5 years while petrochemicals have registered a growth of 8-9% over the same period. The major growth drivers, behind India's chemical industry could be listed as follows:



- **Structural advantage:** With a growing market and purchasing power, the domestic industry is likely to growth at over 10-13% in the coming years. Growing disposable incomes and increasing urbanization are fuelling the end consumption demand for paints, textiles, adhesives and construction, which, in turn, leads to substantial growth opportunity for chemicals companies.
- **High domestic consumption:** The chemicals industry in India is the largest consumer of its own products, consuming 33% of its output. With promising growth trends in the chemicals industry, this internal consumption is also set to rise.
- **Diversified industry:** The Indian chemicals industry has a diversified manufacturing base that produces world-class products. There is a substantial presence of downstream industries in all segments. Further, this large and expanding domestic chemicals market also boasts of a large pool of highly-trained scientific manpower.
- **Promising export potential:** Chemicals constitute ~5.4% of India's total exports. India already has a strong presence in the export market in the sub- segments of dyes, pharmaceuticals and agro chemicals. India exports dyes to Germany, the UK, the US, Switzerland, Spain, Turkey, Singapore and Japan.

(Source: http://ficci.in/sector/7/project_docs/chemical-petrochemical-sector.pdf)

ETHANOL INDUSTRY

The year 2016 will undoubtedly be remembered as one of the best ever in the history of the U.S. ethanol industry. Driven by unprecedented domestic use and robust export demand, ethanol production reached record heights. And after a lengthy battle, the Renewable Fuel Standard (RFS) was finally put “back on track” when the Environmental Protection Agency announced blending requirements would be returned to statutory levels in 2017. Meanwhile, farmers harvested a record corn crop, ensuring ample feedstock supplies and ending the outlandish “food vs. fuel” myth once and for all. In response to extraordinary demand, 200 operating ethanol biorefineries in 28 states produced a record 15.25 billion gallons of high-octane renewable fuel in 2016, along with roughly 42 million metric tons of high-protein animal feed. Low oil prices sparked record gasoline consumption, leading to unparalleled ethanol use in E10 blends (10% ethanol, 90% gasoline). But higher blends of ethanol also experienced growth, as hundreds of retail stations installed the infrastructure to offer lower-cost, cleaner-burning fuels like E15 and E85. However, as 2017 began, ethanol producers faced a number of important challenges. Unnecessary regulatory obstacles continue to constrain ethanol's use in the marketplace. Trade barriers continue to prevent consumers in global markets from fully reaping the benefits of American ethanol and feed. And industries whose market share is threatened by ethanol continue attempts to undermine biofuels and the RFS. But even when faced with daunting challenges, U.S. ethanol producers will continue building partnerships and growing markets just as they have done for nearly four decades.

(Source-<http://www.ethanolrfa.org/wp-content/uploads/2017/02/Ethanol-Industry-Outlook-2017.pdf>)



SUMMARY OF OUR BUSINESS

The following information should be read together with, the more detailed financial and other information included in this Draft Prospectus, including the information contained in “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Information of the Company” on page 15, 173 & 141 respectively

OVERVIEW

Our Company is engaged in manufacturing of chemicals such as Ethanol and its various grade specifically for use of pharmaceutical and chemicals industries. Ethanol is a renewable, domestically produced alcohol fuel made from plant material, such as corn, sugar cane, or grasses. Using ethanol can reduce oil dependence and greenhouse gas emissions. The ethanol alcohol offered by us is a water miscible and colorless liquid, which is free from suspended particles. Used for various industrial applications, including fuel blending with petrol and many others, the ethanol alcohol is greatly demanded by customers. By providing matchless quality of ethanol alcohol.

Our Company have started supplying fuel ethanol to oil refining and marketing companies in India for petrol blending also.

Our Company has originally started its production with in the year 1997 with capacity of 5 KLPD (5000 Bulk Liter per Day) of manufacturing and then after in the year 2001 our company expanded the capacity to 30KLPD (30,000 Bulk Liter per Day) after installation of second plant with advance vapor phase dehydration process. In order to strengthen our business operation and continue to invest in technology, our Company has purchased Anhydrous Ethanol Plant which strengthen our total production capacity to 80 KLPD in the year 2016-17. Our company also developed special extra pure grades of Ethanol in own laboratory and enhanced our lab Facility with new technology of machines like Gas Chromatography & Ultraviolet Specter photo meter testing.

The manufacturing process of ethanol is based on the Molecular Sieve Technology. The Rectified Spirit is the initial product. The rectified spirit from the rectifier column is collected in a separate tank and passed through pre-heater to raise the temperature to appropriate level, then fed in to the recovery column and heated through re-boiler by steam to produce vapours and the vapours are super-heated with steam in super heater. The Super-heated alcohol vapour is passed through one of the pair of molecular sieve beds through auto mode.

The water molecules are absorbed by the molecular sieves and become saturated. When the first molecular sieve bed saturated with water, automatically alcohol vapours will pass through the second bed. In first bed vacuum is created and water molecules accumulated are removed by desorption. The ethanol vapours having alcohol are condensed and stored in the receiver tanks. The desorbed liquid contains 70 % - 75 % alcohol which is partially used for creating vacuum and remains recycled to recovery column.

Our Products are manufactured at our unit situated at Sanaswadi, Taluka, Shirur, Pune, Maharashtra. Presently the promoters of the Company are Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti who have experience of about three decades in Chemical Industry. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decades in the industry in which our Company operates.

For the month ended December 31, 2017, our Company’s Total Revenue and Restated Profit after Tax were Rs.4322.45 Lacs and Rs. 97.86 Lacs, respectively. For the year ended March 31, 2017, our Company’s Total Revenue and Restated Profit after Tax were Rs.6567.74 Lacs and Rs. 151.46 Lacs, respectively. For the year ended March 31, 2016, our Company’s Total Revenue and Restated Profit after Tax was Rs.4934.82 Lacs and Rs.54.52 Lacs respectively, compared to our Company’s Total Income and Restated Profit after Tax of Rs.4139.53 Lacs and Rs.51.62 Lacs respectively, over previous year ended i.e. March 31, 2015.

Competitive Strengths

Strategic Location of Manufacturing Unit / Location Advantage

Our factory is situated at Sanaswadi, Taluka Shirur, Pune where we have set up our manufacturing units which is well known for chemical industry which gives us an advantage for easy availability of raw material for manufacturing of chemicals. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our products supplied to chemical industry, pharmaceutical industry, cosmetics, perfumery Industry,



Industrial applications, chemical laboratories, research and educational institutions, hospitals. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

Experienced Management Team

Our Promoter has vast experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to increase the capacity of production and capitalize on the growth opportunities in the Chemical Industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

Our global sales and marketing network

Our Customer base is spread in all over India like Maharashtra, Gujarat, Goa, Madhya Pradesh, Telangana, Karnataka States and identified overseas market in East/West Africa & Saudi. We have focused on growing our international reach and now have presence in many countries such as East/West Africa & Saudi. We are enhancing our global presence by offering customer better product varieties and quality at economical prices.

Quality Assurance and Standards

The success of the company lies in its strategic ideology of keeping pace with the times. Our Quality Policy covers the entire gamut of our operations, from using the best raw materials to strict control at every stage of manufacturing and packaging. With congenial working environment, strong infrastructure, highly skilled and dedicated technical staff & committed management work to maintain updated Quality Management Systems that have resulted in compliance with the highest standards, of quality safety and productivity.

Well Established Manufacturing facilities

Our existing manufacturing facility is established in the state of Maharashtra, Sanaswadi, Taluka, Shirur, Pune with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated Vaporizer, Air Compressor tanks, RO Plant and Programmable Logic Controller. Our unit has processing plant for manufacturing Ethanol and its various grade. The established manufacturing plant adds significant competitive advantage in manufacturing process of our Company.

Existing relationship with suppliers

We manufacture Ethanol and denatured spirit for Chemicals and Pharmaceuticals manufacturing Companies. We acquire raw materials, basically rectified spirit, from several suppliers and have enduring relationship with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

OUR BUSINESS STRATEGIES:-

Improve capacity utilization and increase operational efficiencies

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in unit. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.



To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

Maintain consistent profitability

We have generated strong revenue from operations in past decade from the year 2007 to 2017 at a growth stage under the leadership of our Promoter Mr. Jayant Shamrao Arbatti. This has enabled us to further invest in our business. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

Optimal Utilization of Resources

Our Company constantly endeavors to improve our Manufacturing process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

Leveraging our Market skills and Relationships

This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.



SUMMARY OF OUR FINANCIALS

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

PARTICULARS		As at Dec-17	AS AT 31ST MARCH				
			2017	2016	2015	2014	2013
A)	EQUITY AND LIABILITIES						
1.	Shareholders' Funds						
(a)	Share Capital	340.25	340.25	340.25	340.25	260.25	173.00
(b)	Reserves & Surplus	700.16	602.30	450.84	396.32	264.43	152.75
		1,040.41	942.54	791.09	736.57	524.67	325.75
2.	Non-Current Liabilities						
(a)	Long Term Borrowings	643.30	685.83	665.67	214.42	341.20	751.45
(b)	Deferred Tax Liabilities (Net)	33.78	31.55	3.21	5.18	9.34	4.68
(c)	Long Term Provisions	22.81	21.88	19.20	14.63	12.34	13.92
		699.89	739.26	688.08	234.23	362.88	770.05
3.	Current Liabilities						
(a)	Short Term Borrowings	2,047.35	1,559.92	1,376.36	1,346.30	379.43	388.98
(b)	Trade Payables	198.80	12.42	11.18	103.06	178.48	281.24
(c)	Other Current Liabilities	310.17	247.42	35.03	41.93	631.02	73.50
(d)	Short Term Provisions	106.08	61.83	36.32	22.98	39.69	19.07
		2,662.40	1,881.59	1,458.89	1,514.27	1,228.62	762.79
	Total	4,402.69	3,563.39	2,938.05	2,485.07	2,116.17	1,858.59
B)	ASSETS						
1.	Non-Current Assets						
(a)	Fixed Assets						
	i) Tangible Assets	996.81	1,069.79	415.10	451.09	296.02	281.83
	ii) Intangible Assets	4.94	7.06	11.81	16.03	26.88	-
	iii) Capital Work in Progress	3.34	-	39.10	-	-	-
		1,005.09	1,076.85	466.01	467.12	322.90	281.83
(b)	Non-Current Investment	41.62	24.57	24.55	5.05	15.05	240.10
(c)	Deferred Tax Assets (Net)	-	-	-	-	-	-
(c)	Long Term Loans and Advances	8.02	8.35	8.36	1.02	94.30	94.69
(d)	Other Non-Current Assets	-	-	-	-	-	-
		49.64	32.92	32.91	6.07	109.35	334.79
2.	Current Assets						
(a)	Inventories	185.38	113.57	195.32	68.62	58.15	213.38
(b)	Trade Receivables	1,846.38	1,623.43	1,757.53	1,268.38	959.61	696.30
(c)	Cash and Cash equivalents	25.32	19.55	55.88	101.32	252.30	14.25
(d)	Short-Term Loans and Advances	914.85	446.01	252.23	313.65	267.46	197.60
(e)	Other Current Assets	376.03	251.06	178.17	259.91	146.40	120.44
		3,347.96	2,453.62	2,439.13	2,011.88	1,683.92	1,241.97
	Total	4,402.69	3,563.39	2,938.05	2,485.07	2,116.17	1,858.59

Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV



STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lacs)

PARTICULARS		For the Period ended Dec-17	FOR THE YEAR ENDED 31ST MARCH				
			2017	2016	2015	2014	2013
1	Revenue From Operation (Gross)	4,792.74	7,215.84	5,446.95	4,504.03	3,481.54	2,079.76
	Less: Excise Duty	471.09	649.52	512.13	365.03	117.61	97.24
	Revenue From Operation (Net)	4,321.65	6,566.32	4,934.82	4,139.00	3,363.93	1,982.52
2	Other Income	0.80	1.42	-	0.53	0.67	3.48
	Total Revenue (1+2)	4,322.45	6,567.74	4,934.82	4,139.53	3,364.60	1,986.00
3	Expenditure						
(a)	Cost of Goods Consumed	3,412.66	5,581.29	4,165.49	3,303.45	2,434.89	1,444.60
(b)	Changes in Inventories of finished goods, work in progress and stock -in-trade	33.56	40.88	(86.38)	3.50	26.93	2.02
(c)	Employee Benefit Expenses	88.19	128.81	116.22	121.07	75.62	53.16
(d)	Finance Cost	268.24	211.41	193.41	107.11	128.87	110.05
(e)	Depreciation and Amortisation Expenses	89.69	52.26	65.99	57.47	43.19	42.01
(f)	Other Expenses	285.32	322.57	399.60	481.97	611.50	281.57
4	Total Expenditure 3(a) to 3(f)	4,177.66	6,337.22	4,854.33	4,074.57	3,321.00	1,933.41
5	Profit/(Loss) Before Tax & Extra Ordinary Items(2-4)	144.79	230.52	80.49	64.96	43.60	52.59
6	Tax Expense:						
(a)	Tax Expense for Current Year	44.70	52.30	27.95	14.81	15.31	14.60
(b)	Short/(Excess) Provision of Earlier Year	-	(1.58)	-	2.68	(0.79)	6.83
(c)	Deferred Tax	2.23	28.34	(1.98)	(4.15)	4.65	2.81
	Net Current Tax Expenses	46.93	79.06	25.97	13.34	19.17	24.24
7	Profit/(Loss) for the Year After Tax but before Extra-Ordinary Items(5-6)	97.86	151.46	54.52	51.62	24.43	28.35
8	Extra Ordinary Items	-	-	-	-	-	-
9	Net Profit for the Year (7-8)	97.86	151.46	54.52	51.62	24.43	28.35
Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV							



CASH FLOW STATEMENT AS RESTATED

(Rs. in Lacs)

PARTICULARS	For the Period ended Dec-17	FOR THE YEAR ENDED 31ST MARCH				
		2017	2016	2015	2014	2013
A) Cash Flow From Operating Activities :						
Net Profit before tax	144.79	230.52	80.49	64.96	43.60	52.59
Adjustment for :						
Depreciation	89.69	52.26	65.99	57.47	43.19	42.01
Profit on Sale Of Investment				-		
Interest Paid	268.24	211.41	193.41	107.11	128.87	110.05
Interest Income	-	-	-	-	-	-
Profit Loss on Impairment of assets	-	-	-	-	-	-
Profit /Loss on Sale Of Fixed Assets	-	(1.16)	-	-	-	(2.50)
Dividend Income	(0.80)	(0.26)	-	(0.53)	(0.60)	(0.60)
Operating profit before working capital changes	501.92	492.77	339.89	229.01	215.06	201.55
Changes in Working Capital						
(Increase)/Decrease in Inventories	(71.81)	81.75	(126.70)	(10.47)	155.23	115.97
(Increase)/Decrease in Trade Receivables	(222.95)	134.10	(489.15)	(308.77)	(263.31)	(476.72)
(Increase)/Decrease in Short Term Loans & Advances	(468.84)	(193.78)	61.42	(46.19)	(69.86)	(0.72)
(Increase)/Decrease in other current assets	(124.97)	(72.89)	81.74	(113.51)	(25.96)	(19.32)
(Increase)/Decrease in Long term advances	0.32	0.02	(7.35)	93.32	0.37	(0.24)
Increase/(Decrease) in Trade Payables	186.38	1.24	(91.88)	(75.42)	(102.76)	205.39
Increase/(Decrease) in Other Current Liabilities	62.75	212.39	(6.90)	(589.09)	557.52	4.19
Increase/(Decrease) in Short Term Provisions	44.25	25.51	13.34	(16.71)	20.62	(1.72)
Increase/(Decrease) in Long Term Provisions	0.93	2.68	4.57	2.29	(1.58)	(10.94)
Cash generated from operations	(92.02)	683.79	(221.02)	(835.54)	485.33	17.43
Less:- Income Taxes paid	44.70	50.72	27.95	17.49	14.52	21.43
Cash Flow Before Extraordinary Item	(136.72)	633.07	(248.97)	(853.03)	470.81	(4.00)
Extra Ordinary Items		-	-	-	-	-
Net cash flow from operating activities (A)	(136.72)	633.07	(248.97)	(853.03)	470.81	(4.00)
B) Cash Flow From Investing Activities :						
Purchase of Fixed Assets	(14.57)	(707.62)	(25.77)	(201.46)	(84.24)	(45.54)
Capital expenditure on fixed assets- capital work in progress	(3.34)	39.10	(39.10)	-	-	-
Sale of Fixed Asset	-	6.57	-	-	-	7.11
Purchase of Shares	(17.05)	(0.02)	(19.50)	10.00	225.05	(27.31)
Profit Loss on Impairment of assets	-	-	-	-	-	-
Dividend Rec.	0.80	0.26	-	0.53	0.60	0.60
Net cash flow from investing activities (B)	(34.17)	(661.71)	(84.37)	(190.93)	141.41	(65.14)



C) Cash Flow From Financing Activities :						
Proceeds from Issue of Share Capital	-	-	-	80.00	87.25	8.00
Proceeds from issue of equity shares - Share Premium	-	-	-	80.00	87.25	6.00
Increase/(Decrease) in Short Term Borrowings	487.43	183.56	30.06	966.87	(9.55)	(6.98)
Increase/(Decrease) in Long Term Borrowings	(42.53)	20.16	451.25	(126.78)	(410.25)	157.11
Interest Paid	(268.24)	(211.41)	(193.41)	(107.11)	(128.87)	(110.05)
Net cash flow from financing activities (C)	176.66	(7.69)	287.90	892.98	(374.17)	54.07
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	5.77	(36.33)	(45.44)	(150.98)	238.05	(15.06)
Cash equivalents at the beginning of the year	19.55	55.88	101.32	252.30	14.25	29.31
Cash equivalents at the end of the year	25.32	19.55	55.88	101.32	252.30	14.25
	As on 31st December, 2017	As on 31st March, 2017	As on 31st March, 2016	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2013
Component of Cash and Cash equivalents						
Cash on hand	5.80	11.34	10.87	10.46	14.31	5.12
Balance With banks	19.37	8.06	44.10	86.64	0.70	9.13
Other Bank Balance	0.15	0.15	0.91	4.22	237.29	-
Total	25.32	19.55	55.88	101.32	252.30	14.25
<p>1. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.</p> <p>2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III & IV.</p>						

**THE ISSUE**

PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS	
Equity Shares Issued: Public Issue of Equity Shares by our Company	36,60,000 Equity Shares of Face Value of Rs. 10/- each for Cash at a Price of Rs.34/-Per Equity Share (Including a Share Premium of Rs.24/-per Equity Share) aggregating to Rs.1244.40 lakh
of which	
Issue Reserved for the Market Makers	1,88,000 Equity Shares of Rs. 10/- each for cash at a price of Rs.34/-per share aggregating Rs. 63.92 lakhs
Net Issue to the Public*	34,72,000 Equity Shares of Rs. 10/- each for cash at a price of Rs.34/-per share aggregating Rs. 1180.48 lakhs
	of which
	17,36,000 Equity Shares of Rs. 10/- each for cash at a price of Rs.34/-per share (including a premium of Rs.24/-per Equity Share) will be available for allocation for allotment to Retail Individual Investors of up to Rs. 2.00 Lacs
	17,36,000 Equity Shares of Rs. 10/- each for cash at a price of Rs.34/-per share (including a premium of Rs.24/-per Equity Share) will be available for allocation for allotment to Other Investors of above Rs. 2.00 Lacs
Equity Shares outstanding prior to the Issue	85,06,125 Equity Shares of face value of Rs.10 each
Equity Shares outstanding after the Issue	1,21,66,125 Equity Shares of face value of Rs.10 each
Objects of the Issue/ Use of Issue Proceeds	Please see the chapter titled “Objects of the Issue” on page 68 of this Draft Prospectus

⁽¹⁾ Fresh Issue of 36,60,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 18, 2017 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on January 10, 2018.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please see the section titled “Issue Related Information” beginning on page 207 of this Draft Prospectus

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, the present issue is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - (i) Individual applicants other than retail individual investors; and
 - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty per cent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

For further details please refer to the chapter titled “Issue Structure” beginning on page 212 of this Draft Prospectus.



GENERAL INFORMATION

Our Company was originally incorporated on July 04, 1991 as “Sterling Chemicals and Alcohols Private Limited” vide Registration no. 11-062354 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further our Company was converted into Public Limited Company and consequently name of company was changed from “Sterling Chemicals and Alcohols Private Limited” to “Sterling Chemicals and Alcohols Limited” vide resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 27, 2017 and a fresh certificate of incorporation dated October 16, 2017 issued by the Registrar of Companies, Pune.

For further details please refer to chapter titled “History and Certain Corporate Matters” beginning on page 117 of this Draft Prospectus.

For details of the business of our Company, please refer the section entitled “Our Business” of this Draft Prospectus.

REGISTERED OFFICE OF OUR COMPANY

Sterling Chemicals and Alcohols Limited

GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,

Taluka Shirur, Pune - 412208,

Maharashtra, India.

Tel. No. +91-021-37252496, 37252901,

E-mail: info@scapl.net

Website: www.scapl.net

Corporate Identification Number: U24116MH1991PLC062354

For details relating to changes to the address of our Registered Office, please see “History and Certain Corporate Matters - Changes to the address of the Registered Office of our Company” on page 117 of this Draft Prospectus.

FACTORY

Sterling Chemicals and Alcohols Limited

GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,

Taluka Shirur, Pune - 412208,

Maharashtra, India.

Tel. No. +91-021-37252496, 37252901

E-mail: info@scapl.net

Website: www.scapl.net

REGISTRAR OF COMPANIES

Registrar of Companies, Pune, Maharashtra

PMT Building, Pune Stock Exchange,

3rd Floor, Deccan Gymkhana,

Pune- 411004, Maharashtra, India

Tel No.: +91-20-25521376

Fax: +91-20-25530042

Email: roc.pune@mca.gov.in

Website: <http://www.mca.gov.in>

Board of Directors of our Company

The Board of Directors of our Company consists of:



Name	Designation	Address	DIN
Mr. Jayant Shamrao Arbatti	Chairman and Managing Director	2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar, Pune-411052, Maharashtra, India	00810089
Mrs. Sneha Jayant Arbatti	Whole time Director	2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar, Pune-411052, Maharashtra, India	03064353
Mr. Uttam Manohar Kale	Non Executive Independent Director	Plot 243, Renuka Indraprastha Vitthalnagar Hadapsar Pune-411028, Maharashtra, India	03405387
Mr. Dhananjay Sanatkumar Vaidya	Non-Executive Independent Director	202/A - Wing, Arihant Darshan Near Saidham Temple, Asha Nagar, Kandivali (E), Mumbai-400101, Maharashtra, India	02123563
Mr. Bijay Kumar Lenka	Non-Executive Independent Director	Flat No. 702/M4, Hills and Dales Undri Pune-411060, Maharashtra, India	02127873

For further details of the Directors of our Company, please refer to the chapter titled “Our Management” on page 122 of this Draft Prospectus.

Company Secretary and Compliance Officer

Ms. Shalini Agrawal is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:-

Ms. Shalini Agrawal

GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,
Taluka Shirur, Pune - 412208,
Maharashtra, India.

Tel. No. +91-021-37252496, 37252901,

E-mail: cs@scapl.net

Website: www.scapl.net

Chief Financial Officer

Mr. Manojkumar Charudatta Naidu is the Chief Financial Officer of our Company. His contact details are as follows:

Mr. Manojkumar Charudatta Naidu

GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,
Taluka Shirur, Pune - 412208,
Maharashtra, India.

Tel. No. +91-021-37252496, 37252901

E-mail: cfo@scapl.net

Website: www.scapl.net

Investors may contact our Company Secretary and Compliance Officer and/ or the Registrar to the Issue and/ or the Lead Manager, in case of any pre-Issue or post-Issue related problems such as non-receipt of Intimation for Allotment, credit of allotted Equity Shares in the respective beneficiary account.

All grievances may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted. The applicant should give full details such as name of the sole or first applicant, ASBA Form number, applicant DP ID, Client ID, PAN, date of the ASBA Form, address of the applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the ASBA Form was submitted by the applicant.

Further, the investor shall also enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove.



For all Issue related queries, and for Redressal of complaints, applicant may also write to the Company and Lead Manager. All complaints, queries or comments received by Stock Exchange shall be forwarded to the Lead Manager, who shall respond to the same.

Details of Key Intermediaries pertaining to this Issue and our Company:

LEAD MANAGER OF THE ISSUE

CORPORATE CAPITAL VENTURES PRIVATE LIMITED

160, Lower Ground Floor, Vinoba Puri,
Lajpat Nagar – II, New Delhi – 110 024
Tel No.: +91-11-4170 4066;
Fax No.: +91-11-2983 2706
Email: investors@ccvindia.com
Website: www.ccvindia.com
Contact Person: Mr. Tushar Shukla
SEBI Registration No.: INM000012276

LEGAL ADVISOR TO THE ISSUE

SHAH ADVOCATES

C/3/201, Anushruti Tower, Near Jain Temple
Thaltej, Ahmedabad
Tel No.: +91- 079-26880570, 09426837114
Website: www.dshahadvocates.com
Email: dshahadvocates@gmail.com
Contact Person: Mr. Dharmesh Shah

REGISTRAR TO THE ISSUE

LINK INTIME INDIA PRIVATE LIMITED

C 101, 1st Floor, 247 Park, LBS Marg,
Vikhroli (West), Mumbai,
Maharashtra, India - 400083.
Telephone: + 91 22 49186200;
Facsimile: +91 22 49186195
Email: sterling.ipo@linkintime.co.in
Investor Grievance Email: sterling.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Ms. Shanti Gopalkrishnan
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368

BANKERS TO THE COMPANY

JANATA SAHAKARI BANK LIMITED

SR. No. 24/6, Flat No. 14, Chintamani Enclave
Hsg. Soc Ltd., Mauje Hingne Khurd, Sinhgad Road,
Pune – 411038, Maharashtra, India
Tel:- +91-9970172065, 8600067731
Email:- sanjeev.ambekar@janatabankpune.com
Website:- www.janatabankpune.com
Contact Person: Mr. Sanjeev Krishnarao Ambekar



STATUTORY AUDITORS OF THE COMPANY

M/S. S J KHOLLAM & COMPANY CHARTERED ACCOUNTANTS

Classic Arcade, Rao Colony,
Talegaon Dabhade,
Pune-410506, Maharashtra, India

Tel. No: +91-9422327069

Email: cakhollam@gmail.com

Firm Registration No.: 138841W

Contact Person: Sunil J Khollam

PEER REVIEW AUDITORS

M/S. C.P. JARIA & CO. CHARTERED ACCOUNTANTS

M-28, Super Tex Tower, Ring road,
Surat-395002, Gujarat, India

Tel:- 0261-2343288-89

E-Mail: cpjaria@gmail.com

Firm Registration No.: 104058W

Contact Person:- Mr. Pankaj Kumar Jain

BANKERS TO THE ISSUE

[•]

STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Since Corporate Capitalventures Private Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Managers is not required.

SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on www.sebi.gov.in/pmd/scsb.pdf For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the application forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time

REGISTERED BROKERS

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE at www.bseindia.com, as updated from time to time.

REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept application forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchange at www.bseindia.com, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at www.bseindia.com, as updated from time to time.



BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

CREDIT RATING

This being an Issue of Equity Shares, credit rating is not required.

IPO GRADING

Since the Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, there is no requirement of appointing an IPO Grading agency.

DEBENTURE TRUSTEES

As the Issue is of Equity Shares, the appointment of Debenture trustees is not required.

TRUSTEES

As the Issue is of Equity Shares, the appointment of Trustees is not mandatory.

MONITORING AGENCY

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 10000.00 Lacs.

APPRAISING ENTITY

No appraising entity has been appointed in respect of any objects of this Issue

EXPERTS OPINION

Except for the reports in the section “Financial Information of the Company” and “Statement of Tax Benefits” on page 141 and page 77 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

WITHDRAWAL OF THE ISSUE

Our Company in consultation with the LM, reserve the right not to proceed with the Issue at any time before the Issue Opening Date without assigning any reason thereof.

If our Company withdraw the Issue any time after the Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre-issue advertisements have appeared and the Stock Exchange will also be informed promptly. The LM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraw the Issue after the Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.



Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Draft Prospectus, which our Company will apply for only after Allotment; and (ii) the final ROC approval of the Prospectus.

UNDERWRITING

The Company, the Lead Manager and Market Maker to the issue hereby confirm that the issue is 100% Underwritten by Corporate Capitalventures Private Limited and Beeline Broking Limited in the capacity of Underwriters to the issue.

Pursuant to the terms of the Underwriting Agreement dated January 30, 2018, entered into by Company and Underwriters- Corporate Capitalventures Private Limited and Beeline Broking Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakh)	% of Total Issue Size Underwritten
CORPORATE CAPITALVENTURES PRIVATE LIMITED 160, Lower Ground Floor, Vinoba Puri, Lajpat Nagar – II, New Delhi – 110 024 Tel No.: +91-11-4170 4066; Fax No.: +91-11-2983 2706 Email: investors@ccvindia.com Website: www.ccvindia.com Contact Person: Mr. Kulbhushan Parashar SEBI Registration No.: INM000012276	34,72,000 Equity Shares of ₹ 10/- being Issued at ₹34/- each	1180.48	94.86%
BEELINE BROKING LIMITED B-307, Ganesh Plaza, Near Navrangpura Bus Stop, Navrangpura, Ahmedabad – 380 009, Gujarat, India. Tel No.: +91 – 079 – 6666 4011; E-mail: compliance@beelinebroking.com Website: www.beelinebroking.com SEBI Regn No.: INZ000000638 Contact Person: Mr. Druvin Shah	1,88,000 Equity Shares of ₹ 10/- being Issued at ₹ 34/- each	63.92	5.14%

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of Issue out of its own account.

In the opinion of the Board of Directors of our Company, the resources of the above mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the Lead Manager has entered into Market Making Agreement dated January 30, 2018 with the following Market Maker, to fulfill the obligations of Market Making for this Issue:

Name	BEELINE BROKING LIMITED
Correspondence Address:	B-307, Ganesh Plaza, Near Navrangpura Bus Stop, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
Tel No.:	+91 – 079 – 6666 4011
E-mail:	compliance@beelinebroking.com
Website:	www.beelinebroking.com
Contact Person:	Mr. Druvin Shah
SEBI Registration No.:	INZ000000638



The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time.

Following is a summary of the key details pertaining to the Market Making arrangement:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being issued by the Market Maker(s).
- 2) The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of BSE (BSE SME) and SEBI from time to time.
- 3) The minimum depth of the quote shall be Rs.1,00,000/-. However, the investors with holdings of value less than `1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that script provided that he sells his entire holding in that script in one lot along with a declaration to the effect to the selling broker.
- 4) The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME Platform (in this case currently the minimum trading lot size is 4000 equity shares; however the same may be changed by the SME Platform of BSE from time to time).
- 5) After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- 6) There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, BSE may intimate the same to SEBI after due verification.
- 7) Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- 8) There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
- 9) On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- 10) The Marker maker may also be present in the opening call auction, but there is no obligation on him to do so.
- 11) There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- 12) The Market Maker(s) shall have the right to terminate said arrangement by giving a six months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a



replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) **Risk containment measures and monitoring for Market Makers:** BSE SME Exchange will have all margins, which are applicable on the BSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
- 14) **Punitive Action in case of default by Market Makers:** BSE SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.

The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to Rs. 20 Crore	25%	24%
Rs. 20 to Rs. 50 Crore	20%	19%
Rs. 50 to Rs. 80 Crore	15%	14%
Above Rs. 80 Crore	12%	11%

- 17) All the above mentioned conditions and systems regarding the Market Making Arrangement are subject to change based on changes or additional regulations and guidelines from SEBI and Stock Exchange from time to time.



CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of the Draft Prospectus and after giving effect to this Issue, is set forth below:

Amount (Rs. in Lacs, except share data)			
Sr. No.	Particulars	Aggregate nominal Value	Aggregate Value at Issue Price
A	Authorized Share Capital 1,25,00,000 Equity Shares having Face Value of Rs 10/- each	1250.00	-
B	Issued, Subscribed & Paid-up Share Capital before the Issue 85,06,125 Equity Shares having Face Value of Rs.10/- each fully paid up before the Issue.	850.61	-
C	Present Issue in terms of the Draft Prospectus 36,60,000 Equity Shares having Face Value of Rs.10/- each with a premium of Rs.24.00 per Equity Share.	366.00	1244.40
	Which Comprises		
I.	Reservation for Market Maker portion 1,88,000 Equity Shares of Rs. 10/- each at a premium of Rs.24.00 per Equity Share	1.88	63.92
II.	Net Issue to the Public 34,72,000 Equity Shares of Rs.10/- each at a premium of Rs.24.00 per Equity Share	347.20	1180.48
	of which		
	17,36,000 Equity Shares of Rs.10/- each at a premium of Rs. 24.00 per Equity Share will be available for allocation for allotment to Retail Individual Investors applying for a value of up to Rs. 2.00 Lacs	173.60	590.24
	17,36,000 Equity Shares of Rs.10/- each at a premium of Rs. 24.00 per Equity Share will be available for allocation for allotment to Other Investors applying for a value of above Rs. 2.00 Lacs	173.60	590.24
D	Issued, Subscribed and Paid up Equity Share capital after the Issue 1,21,66,125 Equity Shares having Face Value of Rs. 10/- each	1216.61	
E	Securities Premium Account Before the Issue After the Issue		---- 878.40

The Present Issue of 36,60,000 Equity Shares in terms of Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated December 18, 2017 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra-Ordinary General Meeting of the members held on January 10, 2018.

Class of Shares

Our Company has only one class of share capital i.e. Equity Shares of Rs.10/- each only. All Equity Shares issued are fully paid up. Our Company does not have any outstanding convertible instruments as on the date of the Draft Prospectus.

Details of changes in Authorized Share Capital of our Company:

Since the incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

- a) The initial authorised share capital of our Company was Rs. 5.00 Lakh divided into 5,000 Equity Shares of Rs.100/- each. This authorised capital was increased to Rs.50.00 Lakh divided into 50,000 Equity Shares of Rs.100/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on March 11, 2002.
- b) The authorised capital of our Company of Rs.50.00 Lakh divided into 50,000 Equity Shares of Rs.100/- each was increased to Rs. 100.00 Lakh divided into 1,00,000 Equity Shares of Rs. 100/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on March 01, 2003.



- c) The authorised capital of our Company of Rs. 100.00 Lakh divided into 1,00,000 Equity Shares of Rs.100/- each was increased to Rs. 200.00 Lakh divided into 2,00,000 Equity Shares of Rs. 100/- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on February 02, 2004.
- d) The authorised capital of our Company of Rs. 200.00 Lakh divided into 2,00,000 Equity Shares of Rs.100/- each was increased to Rs. 400.00 Lakh divided into 4,00,000 Equity Shares of Rs. 100 /- each pursuant to a resolution passed by our Shareholders in their Extra-Ordinary General Meeting held on March 28, 2014.
- e) The authorised capital of our Company of Rs. 400.00 Lakh divided into 4,00,000 Equity Shares of Rs.100/- each was sub-divided to Rs. 400.00 Lakh divided into 40,00,000 Equity Shares of Rs. 10/- each pursuant to a resolution passed by our Shareholders in their Extra Ordinary General Meeting held on September 27, 2017.
- f) The authorised capital of our Company of Rs. 400.00 Lakh divided into 40,00,000 Equity Shares of Rs.10/- each was increased to Rs. 1250.00 Lakh divided into 1,25,00,000 Equity Shares of Rs. 10/- each pursuant to a resolution passed by our Shareholders in their Extra Ordinary General Meeting held on January 10, 2018.

Notes to Capital Structure

1. Equity Share Capital History of our Company:

- (a) The history of the equity share capital and the securities premium account of our company are set out in the following table:-

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Consid- eration	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Share Capital (Rs.)	Cumulative Securities Premium (Rs.)
On Incorporation*	200	100	100	Cash	Subscription to MOA ⁽ⁱ⁾	200	20,000	Nil
March 27, 2000**	4800	100	100	Cash	Further Allotment ⁽ⁱⁱ⁾	5,000	5,00,000	Nil
March 30, 2002	44,500	100	100	Cash	Further Allotment ⁽ⁱⁱⁱ⁾	49,500	49,50,000	Nil
December 26, 2003	12,625	100	100	Cash	Further Allotment ^(iv)	62,125	62,12,500	Nil
March 02, 2011	54,200	100	100	Cash	Further Allotment ^(v)	1,16,325	1,16,32,500	Nil
March 23, 2011 [^]	39,528	100	-	Other than Cash	Bonus Issue in the ratio of 1:2.94 ^(vi)	1,55,853	1,55,85,300	Nil
December 12, 2011	9,142	100	175	Cash	Further Allotment ^(vii)	1,64,995	1,64,99,500	6,85,650
March 25, 2013	8,000	100	175	Cash	Further Allotment ^(viii)	1,72,995	1,72,99,500	12,85,650
March 31, 2014	87,250	100	200	Cash	Further Allotment ^(ix)	2,60,245	26,024,500	1,00,10,650
June 18, 2014	80,000	100	200	Cash	Right Issue ^(x)	3,40,245	3,40,24,500	1,80,10,650
Sub-division of Shares from face value of Rs. 100/- to Rs. 10/- vide shareholder resolution in Extra-ordinary General Meeting dated September 27, 2017. The Position after subdivision is as follows:-								
						34,02,450	3,40,24,500	1,80,10,650
January 10, 2018 [#]	51,03,675	10	-	Other than Cash	Bonus Issue in the ratio of 3:2 ^(xi)	85,06,125	8,50,61,250	--

* The Shares was subscribed to Initial Subscriber to Memorandum of Association on June 27, 1991.



Sterling Chemicals and Alcohols Limited

** Form 2 for return of allotment is not available in records of the Company.

^ Bonus issue of 39,528 equity shares in the ratio of 1:2.94 dated March 23, 2011 has been issued by Capitalization of Revaluation Reserve and General Reserve of the Company.

Bonus issue of 51,03,675 equity shares in the ratio of 3:2 dated January 10, 2018 has been issued by Capitalization of Reserve & Surplus of the Company

All the above mentioned shares are fully paid up since the date of allotment.

Notes:

(i) **Initial Subscribers to the Memorandum of Association subscribed 200 Equity Shares of Face Value of Rs. 100/- each, details of which are given below:**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	100
2.	Mr. Dilip Shamrao Arbatti	100
	Total	200

(ii) **Further allotment of 4,800 Equity Shares of Face Value of Rs. 100/- each fully paid:**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	2050
2.	Mr. Shamrao Venkatrao Arbatti	750
3.	Mrs. Sneha Jayant Arbatti	1250
4.	Mr. Shankarrao Ramchandra Nikam	250
5.	Mr. Pradeep Shankarrao Nikam	250
6.	Mr. Prakash Shankarrao Nikam	250
	Total	4800

(iii) **Further allotment of 44,500 Equity Shares of Face Value of Rs. 100/- each fully paid:**

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	7750
2.	Mr. Dilip Shamrao Arbatti	1475
3.	Mr. Ajit Shamrao Arbatti	1475
4.	Mr. Shamrao Venkatrao Arbatti	2175
5.	Mrs. Sneha Jayant Arbatti	5600
6.	Mr. Shankarrao Ramchandra Nikam	300
7.	Mr. Pradeep Shankarrao Nikam	200
8.	Mr. Prakash Shankarrao Nikam	200
9.	Mrs. Sunila Dilip Arbatti	1000
10.	Mrs. Anjali Ajit Arbatti	1000
11.	Mr. Shrihari Vaman Kulkarni	1000
12.	Mrs. Hemlata Shrihari Kulkarni	1000
13.	Mr. Abhay Shrihari Kulkarni	1000
14.	Ms. Aditi Abhay Kulkarni	1000
15.	Ms. Arti Prakash Kulkarni	1000
16.	Mr. Sudhakar Gangadhar Wangikar	3000
17.	Mrs. Sarojini Sudhakar Wangikar	3000
18.	Mr. Dilip Asaram Darunkar	12,325
	Total	44,500



(iv) Further allotment of 12,625 Equity Shares of Face Value of Rs. 100/- each fully paid:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Dilip Asaram Darunkar	12,625
	Total	12,625

(v) Further allotment of 54,200 Equity Shares of Face Value of Rs. 100/- each fully paid:

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	27,100
2.	Mr. Sneha Jayant Arbatti	27,100
	Total	54,200

(vi) Bonus allotment of 39,528 Equity Shares of Face Value of Rs. 100/- each fully paid in the ratio 1:2.94 i.e.1 Bonus Equity Shares for every 2.94 Equity Shares held

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	17,542
2.	Mrs. Sneha Jayant Arbatti	15,725
3.	Mr. Sudhakar Wangikar	1,019
4.	Mrs. Sarojini Sudhakar Wangikar	1,019
5.	Mr. Sindhu Shamrao Arbatti	994
6.	Mr. Dilip Shamrao Arbatti	518
7.	Mr. Ajit Shamrao Arbatti	518
8.	Mrs. Sunila Dilip Arbatti	340
9.	Mrs. Anjali Ajit Arbatti	340
10.	Mr. Shrihari Vaman kulkarni	340
11.	Mr. Hemlata Shrihari Kulkarni	340
12.	Aarti Prakash Kulkarni	340
13.	Mr. Shankarrao Nikam	187
14.	Mr. Pradeep Shankarrao Nikam	153
15.	Mr. Prakash Shankarrao Nikam	153
	Total	39,528

(vii) Further allotment of 9,142 Equity Shares of Face Value of Rs. 100/- each fully paid

S. No.	Names of Person	Number Of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	9,142
	Total	9,142

(viii) Further allotment of 8,000 Equity Shares of Face Value of Rs. 100/- each fully paid

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	8,000
	Total	8,000

(ix) Further allotment of 87,250 Equity Shares of Face Value of Rs. 100/- each fully paid

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	42,250
2.	Mrs. Sneha Jayant Arbatti	45,000
	Total	87,250



(x) Further allotment of 80,000 Equity Shares of Face Value of Rs. 100/- each fully paid

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	40,000
2.	Mrs. Sneha Jayant Arbatti	40,000
	Total	80,000

(xi) Bonus allotment of 51,03,675 Equity Shares of Face Value of Rs. 10/- each fully paid in the ratio 3:2 i.e. 3 Bonus Equity Shares for every 2 Equity Shares held

S. No.	Names of Person	Number of Shares Allotted
1.	Mr. Jayant Shamrao Arbatti	27,77,355
2.	Mrs. Sneha Jayant Arbatti	23,25,570
3.	Mr. Rajan Vaijanath Samb	150
4.	Mrs. Swati Rajan Samb	150
5.	Mr. Shrihari Vaman Kulkarni	150
6.	Mr. Abhay Shrihari Kulkarni	150
7.	Ms. Aditi Abhay Kulkarni	150
	Total	51,03,675

b) As on the date of the Draft Prospectus, our Company does not have any preference share capital.

2. Issue of Equity Shares for consideration other than cash

As disclosed in point 1 (a) (vi) and (xi) above, we have not issued any Equity Shares for consideration other than cash.

3. Details of Allotment made in the last two years preceding the date of the Draft Prospectus:

As disclosed in point 1 (a) (xi) above, we have not issued any Equity Shares in the last two years preceding the date of the Draft Prospectus.

4. Details of Equity Shares which have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956 and relevant section of 230-320 of Companies Act 2013.

Our Company has not issued any kind of shares under the section 391 and 394 of the Companies Act, 1956.

5. We have revalued our assets in the past year by creating revaluation reserve Rs. 39,22,846 and has issued 39,528 Bonus Shares by capitalizing revaluation reserves and balancing from General Reserve.

6. As disclosed in point 1 (a) (xi) above, No Equity Shares have been issued which may at price below the Issue Price within last one year from the date of the Draft Prospectus.



7. Capital Build up in respect of shareholding of our Promoters:

As on date of the Draft Prospectus, our promoters Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti hold 46,28,925 & 38,75,950 Equity Shares respectively of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Date of Allotment and made fully paid up /transfer	Nature of Issue	No. of Equity Shares	Face Value Per Share (Rs.)	Issue /Acquisition / Transfer Price per Equity Share (Rs.)*	Pre-Issue Share holdin g %	Post-Issue Shareh olding %	Lock in Period	Source of Funds
Mr. Jayant Shamrao Arbatti								
On Incorporation	On Incorporation	50	100	100	0.01	0.00	--	Own fund
		50			0.01	0.00	1 year	
01.08.1991	Transfer ⁽ⁱ⁾	(50)	100	100	-0.01	0.00	--	Own fund
27.03.2000	Allotment	2,000	100	100	0.24	0.16	1 year	Own fund
		50			0.01	0.00	--	
30.03.2002	Allotment	7,750	100	100	0.91	0.64	1 year	Own fund
15.04.2010	Acquisition of Shares by way of Transfer ⁽ⁱⁱ⁾	2,000	100	100	0.24	0.16	1 year	Own fund
19.06.2010	Acquisition of Shares by way of Transfer ⁽ⁱⁱⁱ⁾	12,675	100	100	1.49	1.04	1 year	Own fund
02.03.2011	Allotment	27,100	100	100	3.19	2.23	1 year	Own fund
23.03.2011	Bonus	17,542	100	--	2.06	1.44	1 year	--
12.12.2011	Allotment	9,142	100	175	1.07	0.75	1 year	Own fund
25.03.2013	Allotment	8,000	100	175	0.94	0.66	1 year	Own fund
31.03.2014	Allotment	42,250	100	200	4.97	3.47	1 year	Own fund
18.06.2014	Allotment	40,000	100	200	4.70	3.29	1 year	Own fund
09.02.2016	Acquisition of Shares by way of Gift ^(iv)	3,383	100	--	0.40	0.28	1 year	--
23.02.2016	Acquisition of Shares by way of Transmission ^(v)	3,919	100	--	0.46	0.32	1 year	--
17.02.2017	Acquisition of Shares by way of Gift ^(vi)	3,383	100	--	0.40	0.28	1 year	
09.03.2017	Acquisition of Shares by way of Gift ^(vii)	4,020	100	--	0.47	0.33	1 year	--
10.03.2017	Acquisition of Shares by way of Transfer ^(viii)	1,943	100	233	0.23	0.16	1 year	Own fund
15.09.2017	Transfer ^(ix)	(50)	100	280	-0.01	0.00	--	--
Subdivision of Shares from Rs. 100 to Rs. 10 per share		18,51,570	10	--	21.77	15.22	--	--
10.01.2018	Bonus	7,77,355	10	--	9.14	6.39	1 year	--
		20,00,000			23.51	16.44	3 years	--
Total (A)		46,28,925			54.42	38.05		



Mrs. Sneha Jayant Arbatti								
27.03.2000	Allotment	1,250	100	100	0.15	0.10	1 year	Own Fund
30.03.2002	Allotment	5,600	100	100	0.66	0.46	1 year	Own Fund
19.06.2010	Acquisition of Shares by way of Transfer ^(x)	12,325	100	100	1.45	1.01	1 year	Own Fund
02.03.2011	Allotment	27,100	100	100	3.19	2.23	1 year	Own Fund
23.03.2011	Bonus	15,725	100	--	1.85	1.29	1 year	--
31.03.2014	Allotment	45,000	100	200	5.29	3.70	1 year	Own Fund--
18.06.2014	Allotment	40,000	100	200	4.70	3.29	1 year	--
17.02.2017	Acquisition of Shares by way of Gift ^(xi)	8,038	100	--	0.94	0.66	1 year	Own fund
Subdivision of Shares from Rs. 100 to Rs. 10 per share		15,50,380	10	--	18.23	12.74	--	--
10.01.2018	Bonus	18,25,570	10	--	21.46	15.01	1 year	--
		5,00,000			5.88	4.11	3 years	
Total (B)		38,75,950	--	--	45.57	31.86		
Grand Total A+B		85,04,875			99.99	69.91		

(i) Details of transfer of Shares by Mr. Jayant Shamrao Arbatti dated 01.08.1991

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	01.08.1991	Mr. Jayant Shamrao Arbatti	50	Mr. Ajit Shamrao Arbatti
		Total	50	

(ii) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 15.04.2010

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	15.04.2010	Mr. Abhay Shrihari Kulkarni	1,000	Mr. Jayant Shamrao Arbatti
2.	15.04.2010	Mr. Aditi Abhay Kulkarni	1,000	Mr. Jayant Shamrao Arbatti
		Total	2,000	

(iii) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 19.06.2010

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	19.06.2010	Mr. Dilip Asaram Darunkar	12,675	Mr. Jayant Shamrao Arbatti
		Total	12,675	

(iv) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 09.02.2016

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	09.02.2016	Mrs. Sunila Dilip Arbatti	1,340	Mr. Jayant Shamrao Arbatti
2.	09.02.2016	Mr. Dilip Shamrao Arbatti	2,043	Mr. Jayant Shamrao Arbatti
		Total	3,383	

(v) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 23.02.2016

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	23.02.2016	Mrs. Sindhu Arbatti	3,919	Mr. Jayant Shamrao Arbatti
		Total	3,919	



(vi) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 17.02.2017

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	17.02.2017	Mr. Ajit Shamrao Arbatti	2,043	Mr. Jayant Shamrao Arbatti
2.	17.02.2017	Mrs. Anjali Ajit Arbatti	1,340	Mr. Jayant Shamrao Arbatti
		Total	3,383	

(vii) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 09.03.2017

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	09.03.2017	Mrs. Hemlata Shrihari Kulkarni	4,020	Mr. Jayant Shamrao Arbatti
		Total	4,020	

(viii) Details of Acquisition of Shares by Mr. Jayant Shamrao Arbatti dated 10.03.2017

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	10.03.2017	Mr. Pradeep Shankarrao Nikam	972	Mr. Jayant Shamrao Arbatti
2.	10.03.2017	Mr. Prakash Shankarrao Nikam	971	Mr. Jayant Shamrao Arbatti
		Total	1,943	

(ix) Details of transfer of Shares by Mr. Jayant Shamrao Arbatti dated 15.09.2017

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1.	15.09.2017	Mr. Jayant Shamrao Arbatti	10	Mr. Rajan Vaijanath Samb
2.	15.09.2017	Mr. Jayant Shamrao Arbatti	10	Mrs. Swati Rajan Samb
3.	15.09.2017	Mr. Jayant Shamrao Arbatti	10	Mr. Shrihari Vaman Kulkarni
4.	15.09.2017	Mr. Jayant Shamrao Arbatti	10	Mr. Abhay Shrihari Kulkarni
5.	15.09.2017	Mr. Jayant Shamrao Arbatti	10	Mrs. Aditi Abhay Kulkarni
		Total	50	

(x) Details of Acquisition of Shares by Mr. Sneha Jayant Shamrao Arbatti dated 19.06.2010

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	19.06.2010	Mr. Dilip Asaram Darunkar	12,325	Mrs. Sneha Jayant Arbatti
		Total	12,325	

(xi) Details of Acquisition of Shares by Mrs. Sneha Jayant Shamrao Arbatti dated 17.02.2017

S. No.	Date of Transfer	Name of Transferor	No. of Share Transfer	Name of Transferee
1	17.02.2017	Mr. Sudhakar Gangadhar Wangikar	4,019	Mrs. Sneha Jayant Arbatti
2.	17.02.2017	Mrs. Sarojini Sudhakar Wangikar	4,019	Mrs. Sneha Jayant Arbatti
		Total	8,038	

8. The average cost of acquisition of or subscription to Equity Shares by our Promoters is set forth in the table below:

Name of the Promoter	No. of Shares held	Average Cost of Acquisition per Share (In Rs.)*
Mr. Jayant Shamrao Arbatti	46,28,925	5.31
Mrs. Sneha Jayant Arbatti	38,75,950	5.79

*Average cost of acquisition is calculated on the basis of face value of equity shares of Rs. 10/- each.

9. Except as provided below there are no Equity Shares purchased/acquired or sold by our Promoters, Promoter Group and/or by our Directors and their immediate relatives within six months immediately preceding the date of filing of the Draft Prospectus.



Date of Transaction	Number of Equity Shares Allotted/Acquired/Sold	Face Value (Rs.)	Issue Price/Acquired Price (Rs.)*	Nature	Nature of Consideration	Name of the Allottees/Transferor/transferee	Category
September 15, 2017	(50)	100	--	Transfer	Cash	Mr. Jayant Shamrao Arbatti	Promoter
	10	100	280	Acquired through transfer	Cash	Mr. Rajan Vaijanath Samb	Promoter Group
	10		280	Acquired through transfer	Cash	Mrs. Swati Rajan Samb	
	10		280	Acquired through transfer	Cash	Mr. Shrihari Vaman Kulkarni	
	10		280	Acquired through transfer	Cash	Mr. Abhay Shrihari Kulkarni	
	10		280	Acquired through transfer	Cash	Mrs. Aditi Abhay Kulkarni	

*The maximum and minimum price at which the aforesaid transaction was made is Rs. 280/- per Equity Share.

10. Details of the Pre and Post Issue Shareholding of our Promoter and Promoter Group as on the date of the Draft Prospectus is as below:-

S.No.	Names	Pre Issue		Post Issue	
		Shares Held	% Shares Held	Shares Held	% Shares Held
Promoter					
1.	Mr. Jayant Shamrao Arbatti	46,28,925	54.42	46,28,925	38.05
2.	Mrs. Sneha Jayant Arbatti	38,75,950	45.57	38,75,950	31.86
	TOTAL (A)	85,04,875	99.99	85,04,875	69.91
Promoter Group					
1.	Mr. Rajan Vaijanath Samb	250	0.00	250	0.00
2.	Mrs. Swati Rajan Samb	250	0.00	250	0.00
3.	Mr. Shrihari Vaman Kulkarni	250	0.00	250	0.00
4.	Mr. Abhay Shrihari Kulkarni	250	0.00	250	0.00
5.	Mrs. Aditi Abhay Kulkarni	250	0.00	250	0.00
	TOTAL (B)	1250	0.01	1250	0.01
TOTAL (A+B)		85 06,125	100.00	85,06,125	69.92

11. Details of Promoter's Contribution locked in for three years:

Date of Allotment / transfer of fully paid up Shares	Date when made Fully paid up	Nature of Allotment/Acquired/Transfer	No. of shares Allotted/Acquired Transferred	Face Value (Rs.)	Issue Price/Transfer Price (Rs.)	% of Pre Issue Shareholding	% of Post Issue Shareholding	Lock in Period
Mr. Jayant Shamrao Arbatti								
10.01.2018	10.01.2018	Bonus Issue	20,00,000	10	--	23.51	16.44	3 Years
		Total A	20,00,000			23.51	16.44	
Mr. Sneha Jayant Arbatti								
10.01.2018	10.01.2018	Bonus Issue	5,00,000	10	--	5.88	4.11	3 Years
		Total B	5,00,000			5.88	4.11	
		Grand Total (A+B)	25,00,000			29.39	20.55	

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "promoter" under the SEBI ICDR Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3



years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this Issue.

No Equity Shares proposed to be locked-in as Minimum Promoters Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-Issue shareholding of the Promoters, other than the Minimum Promoters contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

Our Promoter, Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti by a written undertaking, consented to has 20,00,000 and 5,00,000 Equity Shares held by them to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed/sold/transferred by the promoter during the period starting from the date of filing this Draft Prospectus with SME Platform of BSE till the date of commencement of lock-in period as stated in this Draft Prospectus. The Equity Shares under the Promoters contribution will constitute 20.55% of our post-Issue paid up share capital.

Our Promoters have also consented that the Promoters contribution under Regulation 32 of the SEBI ICDR Regulations will not be less than 20% of the post Issue paid up capital of our Company.

Eligibility of Share for “Minimum Promoters Contribution in terms of clauses of Regulation 33 (1) of SEBI (ICDR) Regulations, 2009

Reg. No.	Promoters’ Minimum Contribution Conditions	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
33(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <u>Hence Eligible</u>
33 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution	The minimum Promoter’s contribution does not consist of such Equity Shares. <u>Hence Eligible</u>
33 (1) (b)	Specified securities acquired by promoters during the preceding one year at a price lower than the price at which specified securities are being issued to public in the initial public issue	The minimum Promoter’s contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
33 (1) (c)	Specified securities allotted to promoters during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoters of the issuer and there is no change in the management: Provided that specified securities, allotted to promoters against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter’s contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>
33 (1) (d)	Specified securities pledged with any creditor.	Our Promoter’s has not Pledged any shares with any creditors. Accordingly, the minimum Promoter’s contribution does not consist of such Equity Shares. <u>Hence Eligible.</u>



Details of Share Capital Locked In For One Year

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for 3 (three) years, as specified above, the entire pre-issue equity share capital held by promoters and entire pre-issue capital held by persons other than promoters of our Company i.e. Promoter Group constituting 60,06,125 Equity Shares shall be locked in for a period of 1 (one) year from the date of allotment of Equity Shares in this Issue.

The Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

- a) In terms of Regulation 39 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- b) In terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.



12. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company in accordance with Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as on the date of the Draft Prospectus:

I – Summary of Shareholding Pattern:-

Category y	Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underly ing Deposit ory Receipt s	Total nos. shares held	Sharehold ing as a % of total no. of shares (calculate d as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underl ying Outsta nding conver tible securiti es (includ ing Warra nts)	Shareholdin g , as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateri alized form
								No of Voting Rights		Total as a % of (A+B+ C)			N o. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of Rs.10/- each^	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX			X	XI=VII+X	XII	XIII	XIV		
(A)	Promoter & Promoter Group	7	85,06,125	-	-	85,06,125	100.00	85,06,125	85,06,125	100.00	-	100.00	-	-	-	-	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	7	85,06,125	-	-	85,06,125	100.00	85,06,125	85,06,125	100.00	-	100.00	-	-	-	-	

*As on date of this Draft Prospectus 1 Equity share holds 1 vote.

^ We have only one class of Equity Shares of face value of Rs. 10/- each.



13. The Top Ten Shareholders of our Company and their Shareholding is set forth below:-

As on the date of the Draft Prospectus, our Company has 7 (Seven) shareholders.

Our top ten shareholders as on the date of filing of the Draft Prospectus are as follow:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Jayant Shamrao Arbatti	46,28,925	54.42
2.	Mrs. Sneha Jayant Arbatti	38,75,950	45.57
3.	Mr. Rajan Vaijanath Samb	250	0.00
4.	Mrs. Swati Rajan Samb	250	0.00
5.	Mr. Shrihari Vaman Kulkarni	250	0.00
6.	Mr. Abhay Shrihari Kulkarni	250	0.00
7.	Mrs. Aditi Abhay Kulkarni	250	0.01
	Total	85,06,125	100.00

Our top ten shareholders 10 days prior filing of the Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% shares held (% Pre Issue paid up Capital)
1.	Mr. Jayant Shamrao Arbatti	46,28,925	54.42
2.	Mrs. Sneha Jayant Arbatti	38,75,950	45.57
3.	Mr. Rajan Vaijanath Samb	250	0.00
4.	Mrs. Swati Rajan Samb	250	0.00
5.	Mr. Shrihari Vaman Kulkarni	250	0.00
6.	Mr. Abhay Shrihari Kulkarni	250	0.00
7.	Mrs. Aditi Abhay Kulkarni	250	0.01
	Total	85,06,125	100.00

1. Details of top ten shareholders of our Company two years prior to the date of filing of the Draft Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 100 each)	% of Paid Up Equity Shares as on 2 years prior to the date of filing of the Draft Prospectus*
1.	Mr. Jayant Shamrao Arbatti	168559	49.51
2.	Mrs. Sneha Jayant Arbatti	147000	43.81
3.	Mr. Sudhakar Gangadhar Wangikar	4019	1.18
4.	Mrs. Sarojini Sudhakar Wangikar	4019	1.18
5.	Mrs. Sindhu Arbatti	3919	1.15
6.	Mr. Dilip Shamrao Arbatti	2043	0.60
7.	Mr. Ajit Shamrao Arbatti	2043	0.60
8.	Mr. Sunila Dilip Arbatti	1340	0.39
9.	Mrs. Anjali Ajit Arbatti	1340	0.39
10.	Mr. Shrihari Vaman Kulkarni	1340	0.39
	Total	335622	98.59

*Details of shares held on December 31, 2015 and Percentage held has been calculated based on the paid up capital of our company as on December 31, 2015

14. We have no public shareholder in our Company as on the date of Draft Prospectus.

15. Except as provided below, no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of the Draft Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre- issue share capital of our Company.



S.No.	Name of the Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares subscribed to/Acquired	Number of Equity Shares Sold	Subscribed/Acquired/Transferred
d1.	Mr. Jayant Shamrao Arbatti	09.02.2016	Promoter	3,383	--	Acquisition of Shares by way of Gift
		23.02.2016		3,919	--	Acquisition of Shares by way of Transmission
		09.03.2017		4,020	--	Acquisition of Shares by way of Gift
		17.02.2017		3,383	--	Acquisition of Shares by way of Gift
		10.03.2017		1,943	--	Acquisition of Shares by way of Transfer
		15.09.2017		--	50	Transfer
		10.01.2018		27,77,355	--	Bonus Issue of Shares
2.	Mrs. Sneha Jayant Arbatti	17.02.2017	Promoter	8,038	--	Acquisition of Shares by way of Gift
		10.01.2018		23,25,570	--	Bonus Issue of Shares

16. None of our Directors or Key Managerial Personnel hold any Equity Shares other than as set out below:

Name	Designation	No. of Equity Shares held
Mr. Jayant Shamrao Arbatti	Chairman & Managing Director	46,28,925
Mrs. Sneha Jayant Arbatti	Whole Time Director	38,75,950

17. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.
18. Neither, we nor our Promoters, Directors and the Lead Manager to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
19. As on the date of filing of the Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of the Draft Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
23. As on the date of the Draft Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
24. The Lead Manager i.e. Corporate Capitalventures Private Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Prospectus.
25. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.



26. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments
27. The Bonus Share issued as on March 23, 2011 which have been issued out of revaluation of assets.
28. An over-subscription to the extent of 2% of the total Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 2% of the Issue. In such an event, the Equity Shares held by the Promoter is used for allotment and lock- in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by BSE, SEBI and other regulatory authorities from time to time.
35. As on the date of the Draft Prospectus, Our Company has not issued any equity shares under any employee stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
36. There are no Equity Shares against which depository receipts have been issued.
37. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Prospectus.
38. We have 07 (Seven) Shareholders as on the date of filing of the Draft Prospectus.
39. There are no safety net arrangements for this Public Issue.
40. Our Promoters and Promoter Group will not participate in this Issue.
41. This Issue is being made through Fixed Price method.
42. Except as disclosed in the Draft Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Prospectus.
43. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.



44. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 32 hours of such transactions being completed.
45. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time.
46. As per RBI regulations, OCB's are not allowed to participate in the Issue
47. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the Lead Manager and BSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.



OBJECTS OF THE ISSUE

The Issue includes an Issue of 36,60,000 Equity Shares of our Company at an Issue Price of Rs.34.00 per Equity Share.

The Net Proceeds from the Fresh Issue will be utilized towards the following objects:

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

(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of BSE (“BSE SME”). It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

Our Company is primarily in the business of manufacturing of chemicals. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

Requirement of Funds:-

The following table summarizes the requirement of funds:

S.No.	Particulars	Amount (₹ in Lacs)
1.	To Meet Working Capital Requirement	1000.00
2.	Public Issue Expenses	105.00
3.	General Corporate Expenses	139.40
Gross Issue Proceeds		1244.40
Less: Issue Expenses		105.00
Net Issue Proceeds		1139.40

Utilization of Net Issue Proceeds: The Net Issue Proceeds will be utilized for following purpose:

S.No	Particulars	Amount (₹ in Lacs)
1.	To Meet Working Capital Requirement	1000.00
2.	General Corporate Expenses	139.40
	Total	1139.40

Means of Finance: -We intend to finance our Objects of Issue through Net Issue Proceeds which is as follows:

Particulars	Amount (₹ in Lacs)
Net Issue Proceeds	1139.40
Total	1139.40

Since the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.

The fund requirement and deployment is based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in the light of changes in external circumstances or costs or other financial conditions and other external factors.

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects,



if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of Internal Accruals or Unsecured Loans (Bridge Financing) and in such case the Funds raised shall be utilized towards repayment of such Unsecured Loans or recouping of Internal Accruals. However, we confirm that no bridge financing has been availed as on date, which is subject to being repaid from the Issue Proceeds.

We further confirm that no part proceed of the Issue shall be utilised for repayment of any Part of unsecured loan outstanding as on date of Draft Prospectus

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "Risk Factors" beginning on page 15 of the Draft Prospectus.

Details of Use of Issue Proceeds:

1. To Meet Working Capital Requirement

Our business is working capital intensive as the capital is invested in manufacturing of chemicals. The Company will meet the requirement to the extent of Rs 10.00 Crores from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

(₹ In Crores)

S. No.	Particulars	Actual (Restated)	Provisional	Estimated
		31-March-17	31-March-18	31- March-19
I	Current Assets			
	Inventories	1.14	5.50	9.70
	Trade receivables	16.23	15.20	18.80
	Cash and cash equivalents	0.20	6.01	2.41
	Short Term Loans and Advances	4.46	9.80	10.80
	Other Current Assets	2.51	2.50	1.50
	Total(A)	24.54	38.51	42.21
II	Current Liabilities			
	Trade payables	0.12	0.80	0.40
	Short Term Provisions	0.62	1.03	1.89
	Other Current Liabilities	2.47	2.56	1.92
	Total (B)	3.21	4.39	4.21
III	Total Working Capital Gap (A-B)	21.33	34.12	39.00
IV	Funding Pattern			
	Short term borrowing & Internal Accruals	21.33	34.12	29.00
	IPO Proceeds			10.00

Justification:

S. No.	Particulars
Inventories	Company expects Inventory level of Finished goods to maintain at 12 days approx. for FY 2018-19 due to their production cycle and maintaining required level of inventory.
Debtors	Company expects Debtors holding days to be at 68 Days approx for FY 2018-19 based on increased sales and better credit Management policies ensuring timely recovery of dues.



Creditors	Company expects Creditors to increase at Zero days approx. due to increase in purchase of raw materials and credit received by them.
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2. General Corporate Purposes

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the balance Fresh Issue proceeds aggregating Rs. 139.40 Lacs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

3. Public Issue Expenses:-

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately Rs. 40.00 Lacs which is 3.21% of the Issue Size. The break-up of the same is as follows:

Activity	(Rs .in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	30.00
Printing and Stationery and postage expenses	2.00
Advertising and Marketing expenses	65.00
Statutory expenses	8.00
Total Estimated Issue Expenses	105.00

**Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA's and CDPs*

Proposed Schedule of Implementation:

The proposed year wise break up of deployment of funds and Schedule of Implementation of Net Issue Proceeds is as under:

(₹ In Lakhs)

S. No.	Particulars	Amount to be deployed and utilized in F.Y. 2017-18	Amount to be deployed and utilized in F.Y. 2018-19
1.	To Meet Working Capital Requirement	--	1000.00
2.	General Corporate Purpose	139.40	--
	Total	139.40	1000.00

Funds Deployed and Source of Funds Deployed:

Our Statutory Auditors **M/s. S.J. Kholam & Co.**, Chartered Accountants vide their certificate dated January 31, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)*
Issue Expenses	5.00
Total	5.00

** Amount exclusive of applicable taxes.*



Sources of Financing for the Funds Deployed:

Our Statutory Auditors **M/s. S.J. Kholam & Co.**, Chartered Accountants vide their certificate dated January 31, 2018 have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lakh)*
Internal Accruals	5.00
Total	5.00

* Amount inclusive of applicable taxes.

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third party organization. The funding requirements of our Company and the deployment of the proceeds of the Issue are currently based on available quotations and management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Shortfall of Funds

Any shortfall in meeting the fund requirements will be met by way of internal accruals and or unsecured Loans.

Bridge Financing Facilities

As on the date of this Draft Prospectus, we have not raised any bridge loans which are proposed to be repaid from the Net Proceeds.

Monitoring Utilization of Funds

The Audit committee & the Board of Directors of our Company will monitor the utilization of funds raised through this public issue. Pursuant to Regulation 32 of SEBI Listing Regulation 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement of funds utilized will be certified by the Statutory Auditors of our Company.

Interim Use of Proceeds

Pending utilization of the Issue proceeds of the Issue for the purposes described above, our Company will deposit the Net Proceeds with scheduled commercial banks included in schedule II of the RBI Act.

Our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any listed company or for any investment in the equity markets or investing in any real estate product or real estate linked products.

Variation in Objects

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoter or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.



Other confirmations

There is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Companies, in relation to the utilization of the Net Proceeds. No part of the proceeds of the Issue will be paid by us to the Promoter and Promoter Group, Group Companies, the Directors, associates or Key Management Personnel, except in the normal course of business and in compliance with applicable law.



BASIC TERMS OF ISSUE

Authority for the Present Issue

Fresh Issue

This Issue in terms of this Draft Prospectus has been authorized by the Board of Directors pursuant to a resolution dated December 18, 2017 and by the shareholders pursuant to a special resolution passed in an Extra Ordinary General Meeting held on January 10, 2018 under section 62 (1) (c) of the Companies Act, 2013.

Terms of the Issue

The Equity Shares, being issued, shall be subject to the provisions of the Companies Act, ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the guidelines for listing of securities issued by the Government of India and the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

In addition, the Equity Shares shall also be subject to such other conditions as may be incorporated in the Share Certificates, as per the SEBI (ICDR) Regulations, 2009, notifications and other regulations for the issue of capital and listing of securities laid down from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Equity Shares.

Face Value	Each Equity Share shall have the face value of Rs. 10.00 each.
Issue Price	Each Equity Share is being issued at a price of Rs. 34.00 each and is 3.4 times of Face Value.
Market Lot and Trading Lot	The Market lot and Trading lot for the Equity Share is 4000 and the multiple of 4000; subject to a minimum allotment of 4000 Equity Shares to the successful Applicant.
Terms of Payment	100% of the issue price of Rs. 34.00 per share shall be payable on Application. For more details please refer “Terms of the Issue” beginning to page 207 of the Draft Prospectus.
Ranking of the Equity Shares	The Equity Shares being issued pursuant to this issued shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “Main Provisions of the Articles of Association” on page 256 of the Draft Prospectus.

Minimum Subscription

In accordance with Regulation [106P] (1) of SEBI ICDR Regulations, this Issue is 100% underwritten. Also, in accordance with explanation to Regulation [106P] (1) of SEBI ICDR Regulations the underwriting shall not be restricted up to the minimum subscription level.

If our Company does not receive subscription of 100% of the Issue including devolvement of Underwriters within 60 (Sixty) days from the date of closure of the Issue, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed in the Companies Act, the SEBI (ICDR) Regulations and other applicable Laws, if any.

Further, In accordance with Regulation [106R] of SEBI ICDR Regulations, No allotment shall be made pursuant to the Issue, if the number of prospective allottees is less than 50 (fifty).

For further details, please refer to section titled "Terms of the Issue" beginning on page 207 of the Draft Prospectus.



BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled “Our Business” and its financial statements under the section titled “Financial Information of the Company” beginning on page no. 15, page no. 95 and page no 141 respectively of the Draft Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is Rs. 10 and Issue Price is 34.00 which is 3.4 times of the face value.

QUALITATIVE FACTORS

- Strategic Location of Manufacturing Unit
- Experienced Management Team
- Our global sales and marketing network
- Quality Assurance and Standards

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “Our Business” beginning on page no 95 of the Draft Prospectus.

QUANTITATIVE FACTORS

Information presented below is derived from our Company’s Restated Financial Statements prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. Basic & Diluted Earnings per share (EPS), as restated:

S. No	Period	Basic & Diluted (₹)	Weights
1.	FY 2014-15	0.64	1
2.	FY 2015-16	0.64	2
3.	FY 2016-17	1.78	3
	Weighted Average	1.21	6
	For the Stub Period December 31, 2017	1.15	

*Not Annualized

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share was ₹ 100.00 each upto the financial year 2016-17 & the EPS is re-calculated on the basis of face value of Rs. 10 each for the financial year 2014-15, 2015-16, 2016-17 for making the EPS of previous years comparable .
- iii. Earnings per Share has been calculated in accordance with **Accounting Standard 20 – “Earnings per Share”** issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.

2. Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 34.00 per share:

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2016-17	19.09
2	P/E ratio based on the Weighted Average EPS	28.09



Peer Group P/ E*

S. No	Particulars	P/E
1	Highest (GOCL Corporation Limited)	262.30
2	Lowest (Vivimed Labs Limited)	6.60
	Industry Composite	37.60

*Source: Capital Market Vol. XXXII/24 Dated January 15-28, 2018.

Return on Net worth (RoNW)*

S. No	Period	RONW (%)	Weights
1.	FY 2014-15	7.01	1
2.	FY 2015-16	6.89	2
3.	FY 2016-17	16.07	3
	Weighted Average	11.50	6
	For the Stub Period December 31, 2017	9.41	

*Restated Profit after tax/Net Worth

#Not Annualized

4. Minimum Return on Net Worth after Issue to maintain Pre-Issue EPS

(a) Based on Basic and Diluted EPS, as restated of FY 2016-17 of ₹ 1.78 at the Issue Price of Rs. 34.00 per share:

- 9.48% on the restated financial statements.

(b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 1.21 at the Issue Price of Rs. 34.00 per share:

- 6.45% on the restated financial statements.

5. Net Asset Value (NAV) per Equity Share :

Sr. No.	As at	NAV Standalone (₹)
1.	March 31, 2015	9.12
2.	March 31, 2016	9.30
3.	March 31, 2017	11.08
4.	December 31, 2017	12.23
5.	NAV after Issue	18.78
	Issue Price	34.00

6. Comparison of Accounting Ratios with Industry Peers¹

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹) ³	PE ⁴	RoNW (%)	NAV per Share (₹)
1.	Fineotex Chemicals Limited	Standalone	2.00	1.30	66.67	15.70	8.50
2.	Vadivarhe Speciality Chemicals Ltd.	Standalone	10.00	4.30	32.10	29.40	20.00
3.	Sterling Chemicals and Alcohols Limited	Standalone	10.00	1.78	19.09	16.07	11.08

¹ *Source: Capital Market Vol. XXXII/24 Dated January 15-28, 2018.

² Based on March 31, 2017 restated financial statements

³ Basic & Diluted Earnings per share (EPS), as adjusted

⁴ Price Earning (P/E) Ratio in relation to the Issue Price of Rs. 34.00 per share.



Note : The face value of each Equity Share was ₹ 100.00 each upto the financial year 2016-17 & the EPS is re-calculated on the basis of face value of Rs. 10 each for the financial year 2014-15, 2015-16, 2016-17 for making the EPS of previous years comparable.

7. The face value of our shares is Rs. 10.00 per share and the Issue Price is of Rs. 34/- per share which is 3.4 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of Rs. 34.00 per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled "Our Business", "Risk Factors" and "Financial Information of the Company" beginning on page 95, 15 and 141 respectively including important profitability and return ratios, as set out in "Annexure Q" to the Financial Information of the Company on page 164 of the Draft Prospectus to have a more informed view.



STATEMENT OF TAX BENEFITS

To,

**The Board of Directors,
Sterling Chemicals and Alcohols Limited**
GAT No. 943/1A/1 & 943/1A/1/2
Sanaswadi, Taluka Shirur, Pune- 412208,
Maharashtra, India.

Dear Sir,

Subject: Statement of possible tax benefits ('the Statement') available to Sterling Chemicals and Alcohols Limited ('the Company') and its shareholders prepared in accordance with the requirement in SCHEDULE VIII – CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2009, as amended ('the Regulation')

We hereby report that the enclosed annexure prepared by the Company, states the possible special Tax benefits available to the Company and the shareholders of the Company under the Income - Tax Act, 1961 ('Act'), presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions which, based on business imperatives, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of enclosed statement and the contents stated therein is the responsibility of the Company's management. We are informed that, this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of equity shares ("the Issue") by the Company.

We do not express any opinion or provide any assurance as to whether: a) The Company or its Equity Shareholders will continue to obtain these benefits in future; or b) The conditions prescribed for availing the benefits have been / would be met with. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For S.J. Khollam & Co.
Chartered Accountants
Firm Registration No. 138841W**

**Sunil J Khollam
Proprietor
Membership No. 049472**

**Date: January 31, 2018
Place: Pune**



ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholder under the Income Tax Act 1961 presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.

A. SPECIAL TAX BENEFITS TO THE COMPANY :- NIL

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER :- NIL

Note:

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.
3. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement



SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.

GLOBAL OUTLOOK

Global growth for 2016 is now estimated at 3.2 percent, slightly stronger than the April 2017 forecast, primarily reflecting much higher growth in Iran and stronger activity in India following national accounts revisions. Economic activity in both advanced economies and emerging and developing economies is forecast to accelerate in 2017, to 2 percent and 4.6 percent respectively, with global growth projected to be 3.5 percent, unchanged from the April forecast. The growth forecast for 2018 is 1.9 percent for advanced economies, 0.1 percentage point below the April 2017 WEO, and 4.8 percent for emerging and developing economies, the same as in the spring. The 2018 global growth forecast is unchanged at 3.6 percent. The revisions reflect primarily the macroeconomic implications of changes in policy assumptions for the world's two largest economies, the United States and China, as discussed below.

Advanced economies:-

- The growth forecast in the United States has been revised down from 2.3 percent to 2.1 percent in 2017 and from 2.5 percent to 2.1 percent in 2018. While the markdown in the 2017 forecast reflects in part the weak growth outturn in the first quarter of the year, the major factor behind the growth revision, especially for 2018, is the assumption that fiscal policy will be less expansionary than previously assumed, given the uncertainty about the timing and nature of U.S. fiscal policy changes. Market expectations of fiscal stimulus have also receded.
- The growth forecast has also been revised down for the United Kingdom for 2017 on weaker-than-expected activity in the first quarter.
- By contrast, growth projections for 2017 have been revised up for many euro area countries, including France, Germany, Italy, and Spain, where growth for the first quarter of 2017 was generally above expectations. This, together with positive growth revisions for the last quarter of 2016 and high-frequency indicators for the second quarter of 2017, indicate stronger momentum in domestic demand than previously anticipated.
- The growth forecast for 2017 was also revised up for Canada, where buoyant domestic demand boosted first-quarter growth to 3.7 percent and indicators suggest resilient second-quarter activity, and marginally for Japan, where private consumption, investment, and exports supported first-quarter growth.

Emerging and developing economies:-

Emerging and developing economies are projected to see a sustained pickup in activity, with growth rising from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.8 percent in 2018. These forecasts reflect upward revisions, relative to April, of 0.2 percentage point for 2016, and 0.1 percentage point for 2017. As in the most recent WEO forecast vintages, growth is primarily driven by commodity importers, but its pickup reflects to an important extent gradually improving conditions in large commodity exporters that experienced recessions in 2015–16, in many cases caused or exacerbated by declining commodity prices.

- China's growth is expected to remain at 6.7 percent in 2017, the same level as in 2016, and to decline only modestly in 2018 to 6.4 percent. The forecast for 2017 was revised up by 0.1 percentage point, reflecting the stronger than expected outturn in the first quarter of the year underpinned by previous policy easing and supply-side reforms (including efforts to reduce excess capacity in the industrial sector). For 2018, the upward revision of 0.2 percentage point mainly reflects an expectation that the



authorities will delay the needed fiscal adjustment (especially by maintaining high public investment) to meet their target of doubling 2010 real GDP by 2020. Delay comes at the cost of further large increases in debt, however, so downside risks around this baseline have also increased.

- Growth in India is forecast to pick up further in 2017 and 2018, in line with the April 2017 forecast. While activity slowed following the currency exchange initiative, growth for 2016—at 7.1 percent—was higher than anticipated due to strong government spending and data revisions that show stronger momentum in the first part of the year. With a pickup in global trade and strengthening domestic demand, growth in the ASEAN-5 economies is projected to remain robust at around 5 percent, with generally strong first quarter outturns leading to a slight upward revision for 2017 relative to the April WEO.
- In Emerging and Developing Europe, growth is projected to pick up in 2017, primarily driven by a higher growth forecast for Turkey, where exports recovered strongly in the last quarter of 2016 and the first quarter of 2017 following four quarters of moderate contraction, and external demand is projected to be stronger with improved prospects for euro area trading partners. The Russian economy is projected to recover gradually in 2017 and 2018, in line with the April forecast.
- After contracting in 2016, economic activity in Latin America is projected to recover gradually in 2017–18 as a few countries—including Argentina and Brazil—exit their recessions. In comparison to the April 2017 WEO, Brazil's growth forecast for 2017 is now higher in light of the strong first quarter, but ongoing weakness in domestic demand and an increase in political and policy uncertainty will be reflected in a more subdued pace of recovery, and hence in lower projected growth in 2018. Mexico's growth forecast for 2017 is revised up from 1.7 to 1.9 percent on the back of strong activity in the first quarter of the year, with an unchanged forecast for 2018. Revisions for the rest of the region are mostly to the downside, including a further deterioration of conditions in Venezuela.
- Growth in the Middle East, North Africa, Afghanistan, and Pakistan region is projected to slow considerably in 2017, reflecting primarily a slowdown in activity in oil exporters, before recovering in 2018. The 2017–18 forecast is broadly unchanged relative to the April 2017 WEO, but the growth outcome in 2016 is estimated to have been considerably stronger in light of higher growth in Iran. The recent decline in oil prices, if sustained, could weigh further on the outlook for the region's oil exporters.
- In Sub-Saharan Africa, the outlook remains challenging. Growth is projected to rise in 2017 and 2018, but will barely return to positive territory in per capita terms this year for the region as a whole—and would remain negative for about a third of the countries in the region. The slight upward revision to 2017 growth relative to the April 2017 WEO forecast reflects a modest upgrading of growth prospects for South Africa, which is experiencing a bumper crop due to better rainfall and an increase in mining output prompted by a moderate rebound in commodity prices. However, the outlook for South Africa remains difficult, with elevated political uncertainty and weak consumer and business confidence, and the country's growth forecast was consequently marked down for 2018.

Risks:-

Short-term risks are broadly balanced, but medium-term risks are still skewed to the downside. Risks to the U.S. forecast are two sided: the implementation of a fiscal stimulus (such as revenue-reducing tax reform) could drive U.S. demand and output growth above the baseline forecast, while implementation of the expenditure based consolidation proposed in the Administration's budget would drive them lower. On the upside, the pickup in activity in the euro area, with buoyant market sentiment and reduced political risks, could be stronger and more durable than currently projected. On the downside, protracted policy uncertainty or other shocks could trigger a correction in rich market valuations, especially for equities, and an increase in volatility from current very low levels. In turn, this could dent spending and confidence more generally, especially in countries with high financial vulnerabilities. Lower commodity prices would further exacerbate macroeconomic strains and complicate adjustment needs in many commodity exporters. Other downside risks threatening the strength and durability of the recovery include:

- A more protracted period of policy uncertainty. Despite a decline in election related risks, policy uncertainty remains at a high level and could well rise further, reflecting—for example—difficult-to-predict U.S. regulatory and fiscal policies, negotiations of post-Brexit arrangements, or geopolitical risks. This could harm confidence, deter private investment, and weaken growth.
- Financial tensions. In China, failure to continue the recent focus on addressing financial sector risks and curb excessive credit growth (mainly through tighter macro prudential policy settings) could result in an abrupt growth slowdown, with adverse spillovers to other countries through trade, commodity price, and confidence channels. A faster-than expected monetary policy



normalization in the United States could tighten global financial conditions and trigger reversals in capital flows to emerging economies, along with U.S. dollar appreciation, straining emerging economies with large leverage, U.S. dollar pegs, or balance sheet mismatches. At the same time, to the extent that such monetary policy tightening reflects a stronger U.S. outlook, U.S. trading partners would benefit from positive demand spillovers. In some euro area countries, weak bank balance sheets and an unfavorable profitability outlook could interact with higher political risks to reignite financial stability concerns, and a rise in long-term interest rates would worsen public debt dynamics. Finally, a broad rollback of the strengthening of financial regulation and oversight achieved since the crisis—both nationally and internationally—could lower capital and liquidity buffers or weaken supervisory effectiveness, with negative repercussions for global financial stability.

- Inward-looking policies. Over the longer term, failure to lift potential growth and make growth more inclusive could fuel protectionism and hinder market-friendly reforms. The results could include disrupted global supply chains, lower global productivity, and less affordable tradable consumer goods, which harm low income households disproportionately.
- Noneconomic factors. Rising geopolitical tensions, domestic political discord, and shocks arising from weak governance and corruption can all weigh on economic activity.

These risks are interconnected and can be mutually reinforcing. For example, an inward turn in policies could be associated with increased geopolitical tensions as well as with rising global risk aversion; noneconomic shocks can weigh directly on economic activity as well as harm confidence and market sentiment; and a faster than-anticipated tightening of global financial conditions or a shift toward protectionism in advanced economies could reignite capital outflow pressures from emerging markets.

Policies:-

Policy choices will therefore be crucial in shaping the outlook and reducing risks:-

- Strengthening the momentum. With countries at present facing divergent cyclical conditions, differing stances of monetary and fiscal policy remain appropriate. In advanced economies where demand is still lacking and inflation too low, monetary and (where feasible) fiscal support should continue; elsewhere monetary policy should normalize gradually, in line with economic developments, and fiscal policy should focus on supporting reforms aimed at expanding the economy's supply potential. Countries in need of fiscal consolidation should do so with growth-friendly measures. Emerging market economies should continue to allow exchange rates to buffer shocks, wherever possible.
- Making growth resilient and balanced. Efforts to accelerate private sector balance sheet repair and ensure sustainability of public debt are critical foundations for a resilient recovery. So are efforts from surplus and deficit countries alike to reduce excess current account imbalances.
- Sustaining high and inclusive growth in the long term. This goal calls for well sequenced and tailored structural reforms to boost productivity and investment, measures to narrow gender labor force participation gaps, and active support for those hurt by shifts in technology or trade.
- Enhancing resilience in low-income countries. Among low-income developing countries, commodity exporters generally need sizable adjustment to correct macroeconomic imbalances, a challenge that would be exacerbated for fuel exporters by a persistent decline in oil prices. Policy priorities for diversified low income developing countries vary, given the diversity of country circumstances, but an overarching goal for these economies should be to enhance resilience against potential future shocks by strengthening fiscal positions and foreign reserves holdings while growth is strong.
- Working toward shared prosperity. A well functioning multilateral framework for international economic relations is another key ingredient of strong, sustainable, balanced, and inclusive growth. Pursuit of zero-sum policies can only end by hurting all countries, as history shows. Because national policies inevitably interact and create spillovers across countries, the world economy works far better for all when policymakers engage in regular dialogue and work within agreed mechanisms to resolve disagreements. A rule-based and open world trading system is especially vital for global prosperity, but it must be supported by domestic policies to facilitate adjustment, not only to trade but to rapid technological change.
- Cooperating to ensure evenhandedness. At the same time, the international community should continue to adapt the multilateral system to the changing global economy. Active dialogue and cooperation will help to improve and modernize the rules, while



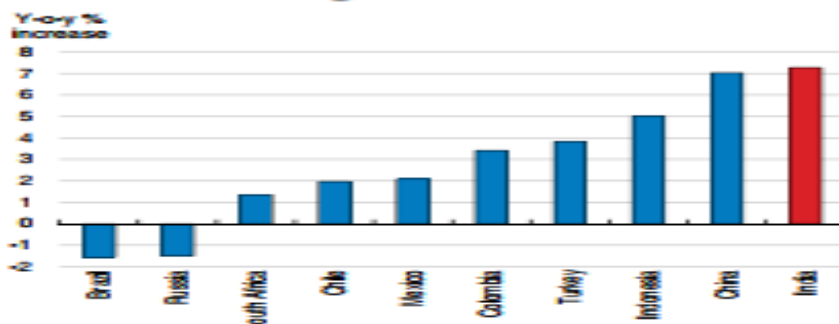
addressing valid country concerns. This process will ensure continued mutual benefits and evenhandedness. Together with strong domestic policies, it will also help avoid a broad withdrawal from multilateralism, either through widespread protectionism or a competitive race to the bottom in financial and regulatory oversight, which would leave all countries worse off.

(Source - <https://www.imf.org/en/Publications/WEO/Issues/2017/07/07/world-economic-outlook-update-july-2017>)

INDIAN ECONOMY OVERVIEW

Economic growth of around 7½% makes India the fastest-growing G20 economy. The acceleration of structural reforms, the move towards a rule-based policy framework and low commodity prices have provided a strong growth impetus. Recent deregulation measures and efforts to improve the ease of doing business have boosted foreign investment. Investment is still held back by the relatively high corporate income tax rates, a slow land acquisition process, regulations which remain stringent in some areas, weak corporate balance sheets, high non-performing loans which weigh on banks' lending, and infrastructure bottlenecks. Quality job creation has been low, held back by complex labour laws.

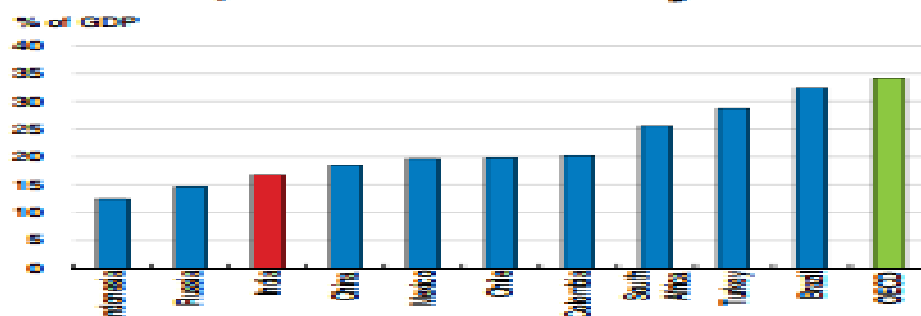
Growth has been strong Annualised average increase 2014-2016Q3



Source: Central Statistics Organisation; and OECD Economic Outlook 100 database.

A comprehensive tax reform would promote inclusive growth. Timely and effective implementation of the Goods and Services Tax would support competitiveness, investment and economic growth. Government's plans to reduce the corporate income tax rate and broaden the base will serve the same objectives. These two on-going reforms have been designed to be revenue-neutral while India needs to raise additional tax revenue to meet social and physical infrastructure needs. Property and personal income taxes, which are paid by very few people, could be reformed to raise more revenue, promote social justice and empower sub-national governments to better respond to local needs. Ensuring clarity and certainty in tax legislation and employing more skilled tax officers would strengthen the tax administration and make the system fairer and more effective.

Tax revenue, 2015 or latest year available



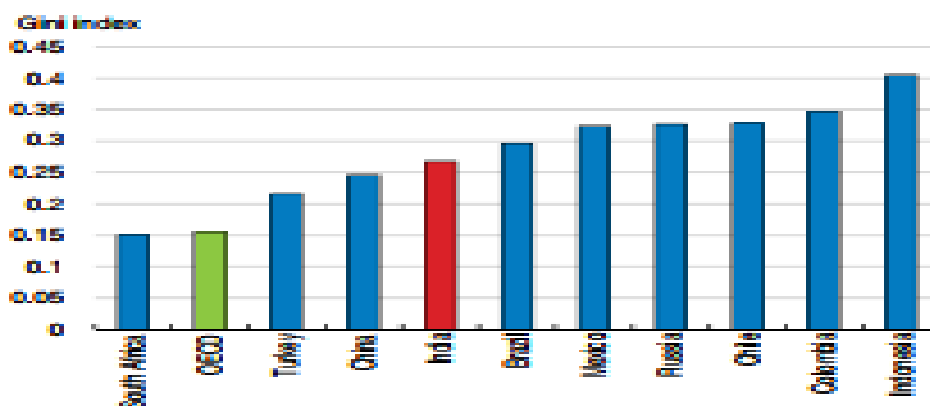
Note: Tax revenue includes social security contributions.

Source: OECD Economic Outlook 100 database; OECD Revenue Statistics database; World Bank; Reserve Bank of India; Central Statistics Organisation.



Spatial disparities in living standards are large. India is reforming relations across levels of government to empower the states and make policies more responsive to local conditions. Some states have taken the lead in improving the ease of doing business and now enjoy higher productivity and income. Additional efforts to showcase reform efforts at the state level and identify best practices will support the reform process and help achieve better and balanced regional development. In rural areas, poverty rates are high and access to core public services is often poor. Farm productivity is low owing to small and fragmented land holdings, poor input management, and inefficient market conditions. In urban areas, agglomeration benefits are quickly reduced by congestion costs, in particular air pollution and long commuting times, all of which reduce well-being.

Inequality in GDP per capita across regions, 2013 or latest year available



Source: OECD Regional Database.

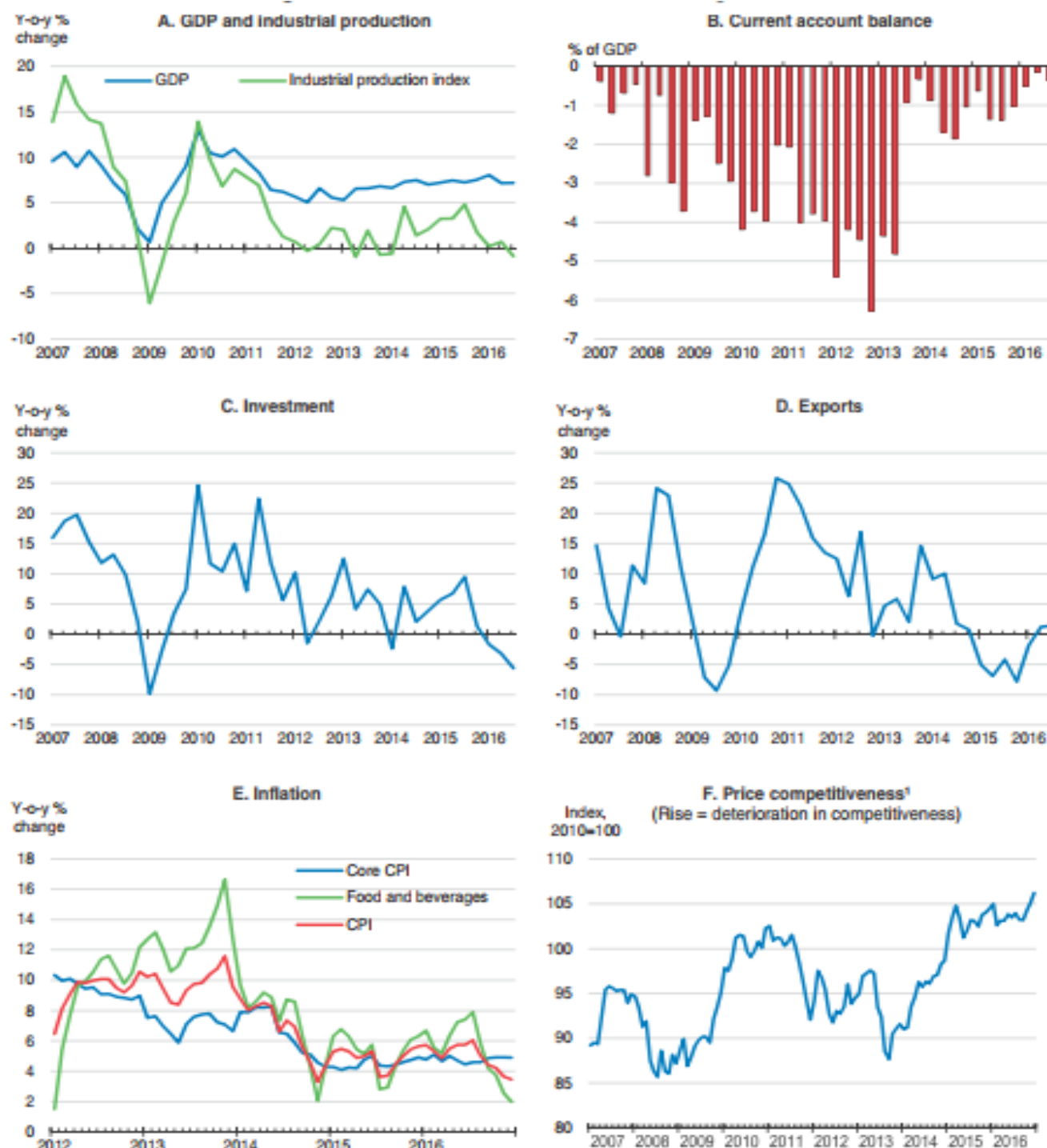
Economic growth has recovered since 2014 and India has become the fastest-growing G20 economy, with annual growth rates around 7.5%. Private consumption in urban areas has been buoyed by prospects of higher public wages and pensions while government investment and consumption remained strong. The return to a normal monsoon in 2016, after two consecutive years of bad weather, is supporting a recovery in agricultural income and rural consumption. The demonetisation has impacted consumption and other macroeconomic parameters, at least temporarily (Box 1). Despite sustained public investment, total investment declined in real terms in the first half of 2016. Exports fell in the second half of 2014 and 2015 as external demand was weak and the real effective exchange rate appreciated. The hike in excise duties on precious metals, combined with the drop in demand from oil exporting countries, also hurt jewellery exports which account for 15% of total merchandise exports. However, exports bounced back early in 2016 and export orders are growing.

Robust growth has been accompanied by a rapid decline in inflation and the current account deficit. As net commodity importer, India has benefitted significantly from the fall in commodity prices, which has lowered pressures on inflation, on the current account deficit and on public spending via lower subsidies. Inflation pressures have been further contained by lower increases in minimum support prices vis-à-vis the past, the active management of food stocks to avoid spikes in food prices, still low capacity utilisation in the industrial sector, and the change in monetary policy framework aimed at anchoring inflation expectations. The decline in merchandise imports - reflecting weak (import intensive) business investment, lower demand for gold and large terms of trade gains - has contributed to keeping the current account deficit below 2% of GDP. Net foreign direct investment has rebounded and will likely more than fully finance the current account deficit in 2016.

The investment to GDP ratio has been on a downward trend for some years. Recently, low capacity utilisation and the weak financial position of some corporations have damped corporate investment. Several factors have added to these cyclical factors. First, the banking system has been weakened by poorly performing public banks, which suffer from high non-performing loans (see below). Banks also labour under the Statutory Liquidity Ratio, which requires them to hold the equivalent of 21.5% of their deposits in government securities. This reduces government funding costs, but distorts financial markets and limits lending to the private sector. Alternatives to bank funding, in particular a corporate bond market, are underdeveloped in India. Second, infrastructure bottlenecks (e.g. frequent power outages) coupled with the often long land acquisition process, have held back investment, in particular in the manufacturing sector (OECD, 2014). Third, taxation is an issue, with relatively high corporate income tax rates combined with frequent and lengthy tax disputes (Chapter 1). Fourth, the government has substantially deregulated foreign direct investment (FDI) in several sectors over the past two years. FDI inflows (foreign residents' net buying and selling in India) have increased from USD



31 billion in financial year (FY) 2013-14 to USD 45 billion in FY 2015-16 as revealed by the Reserve Bank of India. However, restrictions on FDI were relatively stringent in 2016 compared to other BRIICS and OECD countries. Overall, chronically low investment, were it to continue, would eventually result in weaker productivity and growth.



1. Real effective exchange rates based on consumer prices. Differences in productivity gains are not reflected.
Source: OECD Economic Outlook 100 database; and Reserve Bank of India.



India's exposure to changes in global financial and trade conditions is relatively low. Household borrowing has increased, partly reflecting financial deepening, and has underpinned private consumption and the construction sector. Household debt is only 9% of GDP. The debt of non-financial corporations in relation to GDP is also relatively low but is highly concentrated in a few sectors (including infrastructure). Some corporations are highly leveraged (in particular in iron and steel, construction, and power sectors) and face difficulty in servicing debt. On the external side, the current account deficit has declined considerably, arising in part from a decline in oil prices and lower imports of capital goods and gold. India's external liabilities are lower than in many EMEs, although a large share is denominated in foreign currency, and foreign exchange reserves have been replenished after the attack on the rupee in 2013. Growth is projected to remain strong. The gradual implementation of the recommendations of the 7th Pay Commission will raise public wages and pensions by an estimated 16% to 23%. This is expected to continue to support consumption.

Private investment will pick up to some extent as excess capacity diminishes, deleveraging by corporates and banks continues and infrastructure projects mature. Inflation is projected to continue to decline, as the effectiveness and credibility of monetary policy strengthen and better weather conditions reduce pressures from food inflation. The gradual recovery in (import-intensive) corporate investment and lower remittance flows will weigh on the current account deficit. Robust FDI inflows should however mitigate India's external vulnerability. The implementation of the Goods and Service Tax (GST, Box 2), from FY 2017-18 according to government plan, will support investment and competitiveness over the medium-term, raising GDP growth by 0.5 to 2 percentage points according to estimates (NCAER, 2009; Government of India, 2015c) even though it may have short-term adverse effects on inflation and consumption.

India faces risks, some of which are hard to quantify (Table 2). Further structural reform is a clear upside risk for growth. Some states (including Maharashtra, Madhya Pradesh and Rajasthan) have taken the lead in reforming land and labour market regulations but it is still unclear whether others will follow up. There are also downside risks. Although the government is hopeful, rolling out the GST by April 2017 is an ambitious objective. Any slippage would risk delaying the investment recovery. The increase in public wages entails a risk for inflation, although this risk is limited given the small share of employees in the public administration in total employment (less than 2%) and the fact that implementation at the state level can be expected to be spread over some time. Risks to the banking sector remain elevated due to continuous deterioration in asset quality, low profitability and liquidity (RBI, 2016d). Slower efforts to clean up banks' balance sheets and recapitalise public banks would raise uncertainties and have bearing on investment. Some risks are interconnected. If the Reserve Bank of India increases interest rates to address the inflation risk, the sustainability of corporate debt could be affected. India is not immune to external shocks and fragilities in the global economy. An increase in commodity prices could raise inflation, dampen private consumption and weigh on both the current account and fiscal deficit. India's largest export market is the United States (about 15% of merchandise exports) while China accounts for less than 4% of total merchandise exports. India's economic performance is more sensitive to weather conditions than many other emerging economies since the agricultural sector still accounts for about 18% of GDP and almost 50% of total employment.

(Source - <http://www.oecd.org/eco/surveys/INDIA-2017-OECD-economic-survey-overview.pdf>)

INDIAN CHEMICAL INDUSTRY

LEADING POSITION GLOBALLY

- In terms of value and production volume, Indian chemical industry is the 3rd largest producer in Asia & 6th by output in the world. Indian chemical industry could grow at 11 per cent p.a. to reach size of USD224 billion by 2017
- In 2016, India chemicals industry had a market size of USD139 billion
- By 2025, the Indian chemical industry is projected to reach USD403 billion

HIGH GDP SHARE

- The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP
- More than 70,000 commercial products such as petrochemicals & basic chemicals are covered under chemical sector.

GLOBAL DYE SUPPLIER

- India accounts for approximately 16 per cent of the world production of dyestuff & dye intermediates, particularly for reactive acid & direct dyes



GLOBAL PLAYER IN SPECIALTY CHEMICALS

- India is currently the world's 3rd largest consumer of polymers & 3rd largest producer of agrochemicals • Indian specialty chemical market is expected to reach USD70 billion by 2020

INCREASING EXPORTS OF INORGANIC AND ORGANIC CHEMICALS

- Value exports of inorganic chemicals from India is estimated at USD1.21 billion in FY16, with the organic chemical market reaching USD11.51 billion in FY16. Exports of organic chemicals from India stood at USD4.02 billion in FY16(1)

Source (<https://www.ibef.org/download/Chemicals-April-2017.pdf>)

The chemical industry, which includes basic chemicals and its products, petrochemicals, fertilizers, paints & varnishes, gases, soaps, perfumes & toiletries and pharmaceuticals is one of the most diversified of all industrial sectors covering thousands of commercial products. It plays an important role in the overall development of the Indian economy.

The specialty chemical segment has grown at about 11% p.a. over the XIth plan period (FY07 to FY11). The industry is currently valued at \$18 billion and is an important growth driver for Indian economy. This segment has the potential to reach \$38 billion end of XIIth five year plan period growing at a rate of 13-14%.

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but., which are required in almost all walks of life. Over the last decade, the Indian Chemical industry has evolved from being a basic chemical producer to becoming an innovative industry. With investments in R&D, the industry is registering significant growth in the knowledge sector comprising of specialty chemicals, fine chemicals and pharmaceuticals.

The chemical industry's R&D spends would need to go up significantly from current levels of less than 0.5% of sales to reach closer to global benchmarks of 4% of sales (implying R&D spends of ~\$12 billion by 2017). On the human resources front, adequate educational infrastructure would be required to impart vocational training to develop additional 4.5 to 5 million skilled workers by 2017. Over 15 years, employment potential could range between 8-9 million jobs.

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/335/1, http://chemicals.nic.in/sites/default/files/XIIth%20Five%20Year%20Plan-Yr%202011_0.pdf)

INDIAN CHEMICAL INDUSTRY

With Asia's growing contribution to the global chemical industry, India emerges as one of the focus destinations for chemical companies worldwide. With the current size of approximately \$108 billion¹, the Indian chemical industry accounts for ~3% of the global chemical industry. Two distinct scenarios for the future emerge, based on how effectively the industry leverages its strengths and manages challenges. In the base case scenario, with current initiatives of industry & government, the Indian chemical industry could grow at 11% p.a. to reach size of \$224 billion by 2017.

This industry will reach value of \$38 billion by the end of XIIth Five Year Plan. Specialty chemical segment in India is poised for substantial growth and offers immense potential for investment as well as employment generation. It is estimated that additional investment of \$ 7-10 billion is feasible in this segment over the XIIth plan period which could generate additional direct employment of quarter of a million people and much more indirect employment.

Segment	FY11 size (\$ bn)	End of 12th five year plan
Paints and coatings	3.6	8.2
Specialty polymers 2.3 5.3	2.3	5.3
Plastics additives	09	1.7
Construction chemicals	06	1.4
Home care surfactants	1.1	1.7
Textile chemicals	0.8	1.5
Flavors and fragrances	0.4	0.8
Water chemicals	0.6	1.1



Cosmetic chemicals	0.5	0.9
Paper chemicals	0.4	0.9
Printing inks	0.4	0.8
I&I cleaners	0.2	0.5
Rubber chemicals	0.2	0.4
Other segments	5.7	13.2
Total	18	38

Given the potential to grow to a \$ 38 billion sector in India by 2017, providing a significant boost to the specialty chemicals industry should be one of the most important economic priorities of the government. Following 10 key enablers must be successfully implemented to enable this growth.

(Source: http://chemicals.nic.in/sites/default/files/XIIth%20Five%20Year%20Plan-Yr%202011_0.pdf)

Growth of Chemical Industry

The chemical sector has witnessed growth of 13-14% in the last 5 years while petrochemicals have registered a growth of 8-9% over the same period. The major growth drivers, behind India's chemical industry could be listed as follows:

- **Structural advantage:** With a growing market and purchasing power, the domestic industry is likely to growth at over 10-13% in the coming years. Growing disposable incomes and increasing urbanization are fuelling the end consumption demand for paints, textiles, adhesives and construction, which, in turn, leads to substantial growth opportunity for chemicals companies.
- **High domestic consumption:** The chemicals industry in India is the largest consumer of its own products, consuming 33% of its output. With promising growth trends in the chemicals industry, this internal consumption is also set to rise.
- **Diversified industry:** The Indian chemicals industry has a diversified manufacturing base that produces world-class products. There is a substantial presence of downstream industries in all segments. Further, this large and expanding domestic chemicals market also boasts of a large pool of highly-trained scientific manpower.
- **Promising export potential:** Chemicals constitute ~5.4% of India's total exports. India already has a strong presence in the export market in the sub- segments of dyes, pharmaceuticals and agro chemicals. India exports dyes to Germany, the UK, the US, Switzerland, Spain, Turkey, Singapore and Japan.

A number of initiatives have been proposed in the 12th 5-year plan (2012-2017) to boost the growth of Indian Chemical industry.

Few highlights are:

Investment policies:

- Target to increase the share of manufacturing in GDP to at least 25% by 2025 (from current 16%). Investments in manufacturing in the chemical sector are absolutely essential to ensure growth of the Indian chemical industry
- Government's proposal to set up of a technology up-gradation fund of ~USD 80 Mn in the 12th plan for chemicals.
- Proposal to establish an autonomous USD 100 Mn chemical innovation fund by securing 10% of the total inclusive national innovation fund set up by the National Innovation Council to encourage commercialization efforts for innovations generating inclusive growth

Other initiatives:

- Government readiness to provide incentives for bio-based raw materials to reduce dependence on crude oil, encourage companies to seek "Responsible Care Certification" and facilitate priority loans to those who meet environment norms.
- Government's plan to expedite the consolidation of multiple legislations governing the chemical industry into one Integrated



Chemical Legislation. This legislation should cover the entire life cycle of chemicals. This will act as REACH like legislation for safe use of chemicals for protection of human health & environment.

- Chemical industry could be granted tax and duty reductions for specific identified products such as import duty reduction on inputs like coal, furnace oil, naphtha, etc., inclusion of a wider range of inputs under CENVAT credit and encouraging companies to set up captive power plants.
- Policies have been initiated to set up integrated petroleum, chemicals and petrochemicals investment regions (PCPIRs). PCPIR will be an investment region spread across 250 square kilometres for manufacturing of domestic and export-related products.
- Simplified procedures for FDIs as most of the chemical sector products fall under the automatic approval route for FDI/NRI investment upto 100%

Chemical industry had to face the brunt of global slowdown in past 2-3 years. Global economic uncertainty along with recent regulatory issues has resulted in low FDI inflows to the country. FDI in Chemical industry dropped from USD 749 Mn in FY09 to USD 362 Mn in FY10. However, FDI inflow picked up in FY11 reaching USD 2,345 Mn and USD 4,041 Mn in FY12. Indian Chemical industry also managed to lead industrial IIP in FY13. As per CSO sources, Chemicals IIP for FY13 stood at 3.1% while the overall IIP was 0.8%.

Chemical industry is also offering new products according to the changing requirements of the market. The industry has developed microbial de-colorization and degradation procedures for textiles and begun exploring bio-diversity for natural dyes and developing eco-friendly methodology for synthetic dyes. Hindustan Petroleum Corporation Ltd (HPCL), a public sector refiner, has stated its intent to bring to market green lubricants developed from renewable feedstock. DuPont, as part of its R&D strategy, has set up a knowledge centre in India focusing on areas like green technologies for refinery processes. Tata Chemicals has established an Innovation centre to focus on green technologies in emerging areas such as nano-technology, fermentation and bio-fuels.

As per reports, the chemical industry will foresee the following trends:

- Western companies would look to expand presence in ASIA as Asian markets emerge as a major consumption hub.
- Commodity chemical companies will look for entry into Specialty Chemicals for Growth and profitability. M&A would be the preferred route for Cash Rich global companies to expand in Specialty Chemicals in Asia.
- After EU, REACH like regulations is expected to come up in other nations e.g. China, US. This will increase cost of production and may make certain companies uncompetitive.
- With Availability of Shale Gas as cheaper feedstock, US could become major processing hub. ASIAN producers will have to look at innovative ways e.g. alternate sources of feedstock, right product mix to remain competitive.
- Petrochemicals industry would face reduced margins due to oversupply in the global petrochemicals market. Between 2012 and 2016 ethylene capacity additions is expected to grow by 25 million tonnes. Major capacity build up is happening in USA, Middle East and China. Global capacity utilization levels are observed to be at all-time lows of 80% in 2011. This may continue till the global demand picks up.
- With increasing availability of natural gas and new gas finds, the dependency on naphtha as major feedstock for petrochemicals complexes would go down. In Middle East, substantial capacity additions will be based on ethane as a feedstock.

Future Prospects & Investment Opportunities

Indian chemical industry is expected to register a growth of 8-9% in the next decade and is expected to double its share in global chemical industry to 5-6% by 2021. Indian Chemical industry has the potential to grow significantly provided some of the key growth imperatives are taken care of. Securing Feedstock, Right Product Mix, M&A opportunities are currently the key imperatives for chemical industry in India. Few investment opportunities can be highlighted as:

- Chemical companies in India can either explore alternate feedstock or invest in setting up plants in resource rich nations to secure feedstock.
- Companies need to invest in exploring the right product mix to be competitive and profitable using the available feedstock in India i.e. Naphtha and its derivatives.
- Indian companies can explore possible Merger, JV opportunities for technology, capital or access to international market by



taking advantage of increasing expansion of western companies in India.

- Chemical companies can invest in exploring strategic energy management and strategic water management to cut down their energy costs and contain water availability concerns.
- Companies can invest in upcoming PCPIRs in India and overcome challenges related to infrastructure, power and water availability.
- There are good opportunities in segments such as Speciality Chemicals, Speciality Polymers, for catering to huge emerging domestic demand as also as a manufacturing hub.

(Source: http://ficci.in/sector/7/project_docs/chemical-petrochemical-sector.pdf)

Overview of the Chemical Industry

The chemical and petrochemical sector in India presently constitutes 14 per cent of the industrial domestic activity. It should also be noted that investments in this sector are highly capital intensive with long gestation periods. The growth of petrochemicals and chemicals is projected at 12.6 per cent and 8 per cent respectively in the 11th five year plan (2007-2012). According to the United Nations Industrial Development Organization (UNIDO), in terms of value added at constant 2000 prices, the Indian chemical Industry is 6th in the world and 3rd in Asia .

PRODUCTION TRENDS

Production of Selected Major Chemicals

Sector (Tonne)	Production (in '000 Metric Tonne)				Production (in '000 Metric Tonne)	
	2007-08	2008-09	2009-10	2010-11 up to Sept.	2009-10/ 2008- 09	GROWTH (%) 2009-10/05-06
Alkali Chemicals	5443	5442	5602	2890	2.9	0.6
Inorganic chemicals	609	512	518	281	-12.6	-1.2
Organic Chemicals	1552	1254	1280	649	-19.2	-4.6
Pesticides (Tech.)	83	85	82	44	-3.5	0.0
Dyes & Dyestuffs	44	32	42	24	31.2	8.8
Total Major Chemicals	7731	7325	7524	3888	2.70	-0.5

Production of Selected Major Petrochemicals

Sub-Group	Production (in '000 Metric Tonne)				Annual Growth	
	2007-08	2008-09	2009-10	2010-11 up to Sept.	2009-10/ 2008- 09	GROWTH (%) 2009-10/05-06
Synthetic Fibers	2524	2343	2601	1362	11.01	8.08
Polymers	5304	5060	4791	2486	-5.32	0.12
Elastomers (S. Rubber)	106	96	106	51	10.42	-0.92
Synthetic Detergent Intermediates	585	552	618	302	11.96	2.68
Performance Plastics	157	141	172	78	21.99	7.88
Total Major Petrochemicals	8676	8192	8288	4279	1.15	2.64

(Source: Annual Report 2010-11, Ministry of Chemicals and Fertilizers, Government of India) Concessions to Chemical Companies
Some chemical companies had demanded concessions during the recession period. These included reduction in Central Excise Duty from 14 per cent - 8 per cent, roll back of Import duty of 5 per cent on Naptha, levy of crisis duty (10 per cent) on all chemicals,



intermediates, dyes, pigments and pesticides, expeditious disposal of anti dumping/Safeguard Measures, fiscal reliefs to SMEs and provision of low cost credit to them.

The Government has taken the following decisions in this regard:

- (i) Reduction of Excise Duty from 14 per cent-10 per cent and then from 10 per cent-8 per cent.
- (ii) Anti-dumping duty/Safeguards were imposed in respect of following:

Soda Ash	Imposition of Safeguard Duty 20 percent
Soda	Imposition of Safeguard Duty 15 per cent
Black	Anti-Dumping duty \$78-\$195 per MT country specific

- (iii) DEPB rates were restored to March, 2008 level.
- (iv) 150 per cent weighted deductions of expenditure on R&D for recognized R&D units.
- (v) Period of credit for exports was increased from 180 days to 270 days.

Foreign Direct Policy in Chemical Sector

In chemical sector, 100 per cent FDI is permissible. Manufacture of most chemical products inter-alia covering organic/inorganic, dyestuffs & Pesticides is delicensed. The entrepreneurs need to submit only IEM with the Department of Industrial Policy and Promotion, provided no locational angle is applicable. Only the following items are covered in the compulsory licensing list because of their hazardous nature.

(Source: http://indiainbusiness.nic.in/newdesign/index.php?param=industryservices_landing/335/1)

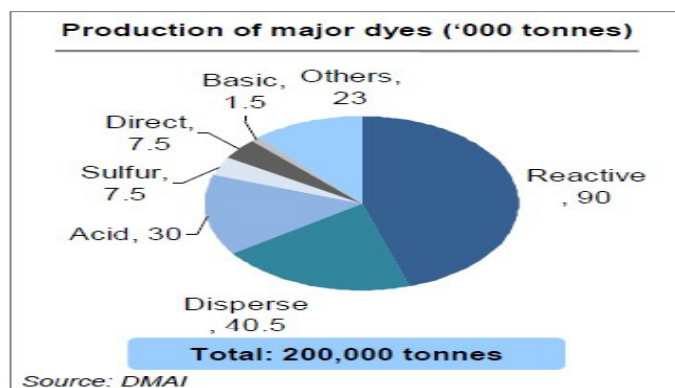
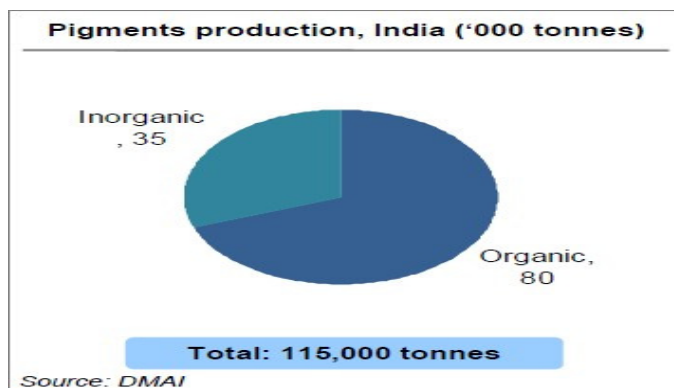
Budget Projections for 2012-2017

To undertake the initiatives recommended, a provision of Rs 575 Crore has been proposed for XIIth Plan Period. Out of Rs. 575 crore, Rs. 50 Crore is proposed for the establishment of the Indian chemicals inventory. Rs. 25 crore is for Chemical Promotion and Development Scheme which includes holding of various events such as India Chem, holding international and national conferences etc. for development and promotion of chemical industry. Balance Rs. 500 crore is for establishment of Technology Upgradation which implies that annual outlay of Rs. 100 crores. The size of the chemical industry covering organic, inorganic, dyes and pesticides is US \$ 22 billion. An yearly outlay of Rs. 100 crores for technology upgradation is 0.1% of the size of this sector. Fund sought to be established for incentivizing the industry to develop use innovative technology replacing obsolete inefficient technology.

Dyestuffs

Colors are an integral part of human perception and life. Much before the invention of synthetic dyestuffs, natural and vegetable colors were in use in India for centuries. 1st synthetic dye in 1856 led to the birth of European dyestuffs industry and use of synthetic dyes widely extended to all textile substrates. The well-developed textile industry in India soon started use of synthetic dyes and depended on imported organic dyestuffs till 40s. In the development phase that followed subsequently, India slowly emerged as the supplier of dyestuffs and intermediates, particularly in reactive, acid, direct and VAT dyes and some key intermediates.

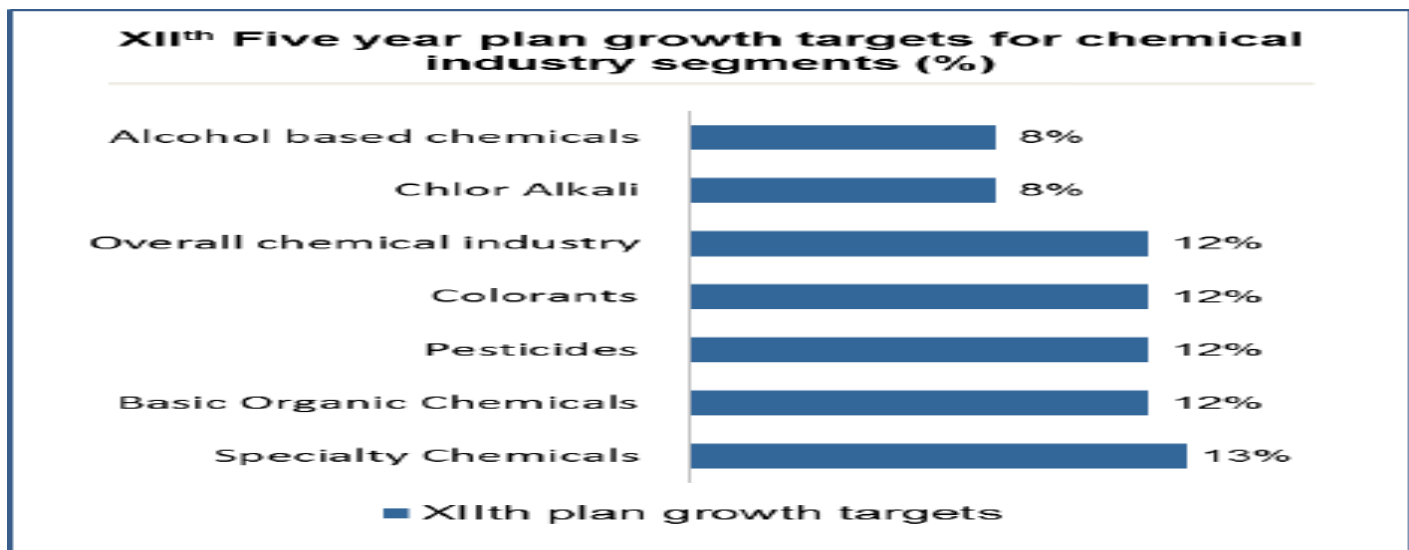
The per capita consumption of dyes in India is 50 gms as compared to 400 gms in Europe, 300 gms in Japan which shows that there is tremendous potential for the Indian market to absorb additional production.



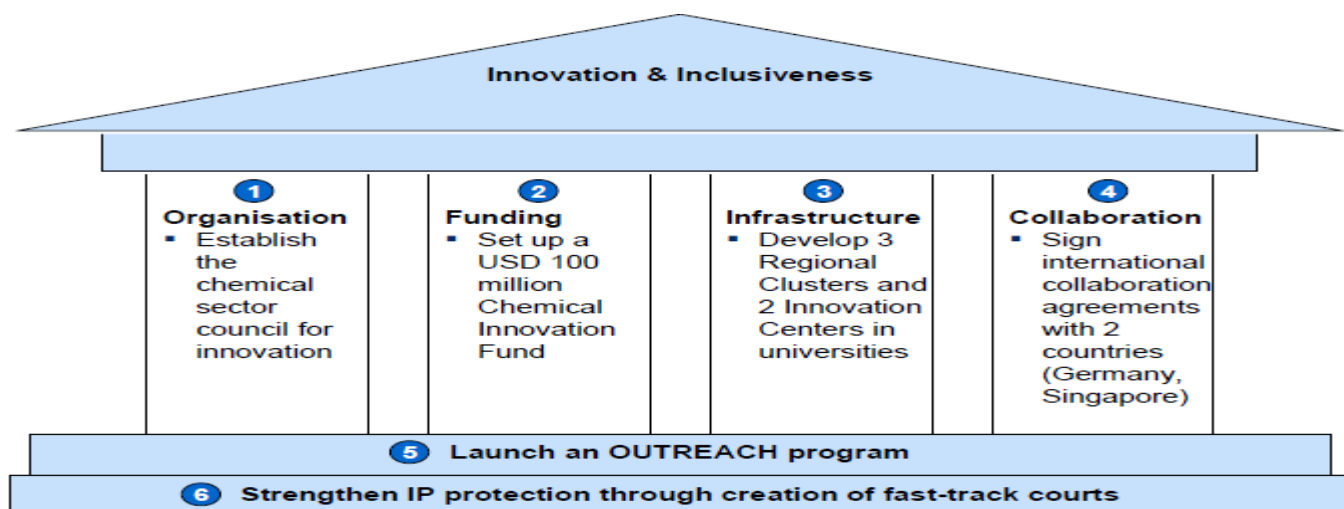
The overall production capacity of dyestuffs is 200,000 tonnes per annum. With the ever increasing standards of quality and reliability, Indian dyestuffs industry meets more than 95% of the domestic requirement, out of which textile industry consumes nearly 60% and the remaining is shared by paper, leather & other consumer industries. As far as pigments are concerned, the market size is 115,000 tonnes. The main consumer industries are printing inks, paints, plastics, rubber, etc., accounting for 70% of the end use.

Whereas many of the plants all over the world are very large size, there are many SME units in India, which are capable of producing quality colorants. Gujarat and Maharashtra account for nearly 95% of the colorant production in the country.

To summarize, the following growth targets have been set for the various segments of the chemicals industry



Six initiatives derived from India's National Innovation Strategy can promote innovation and inclusiveness in the chemical industry

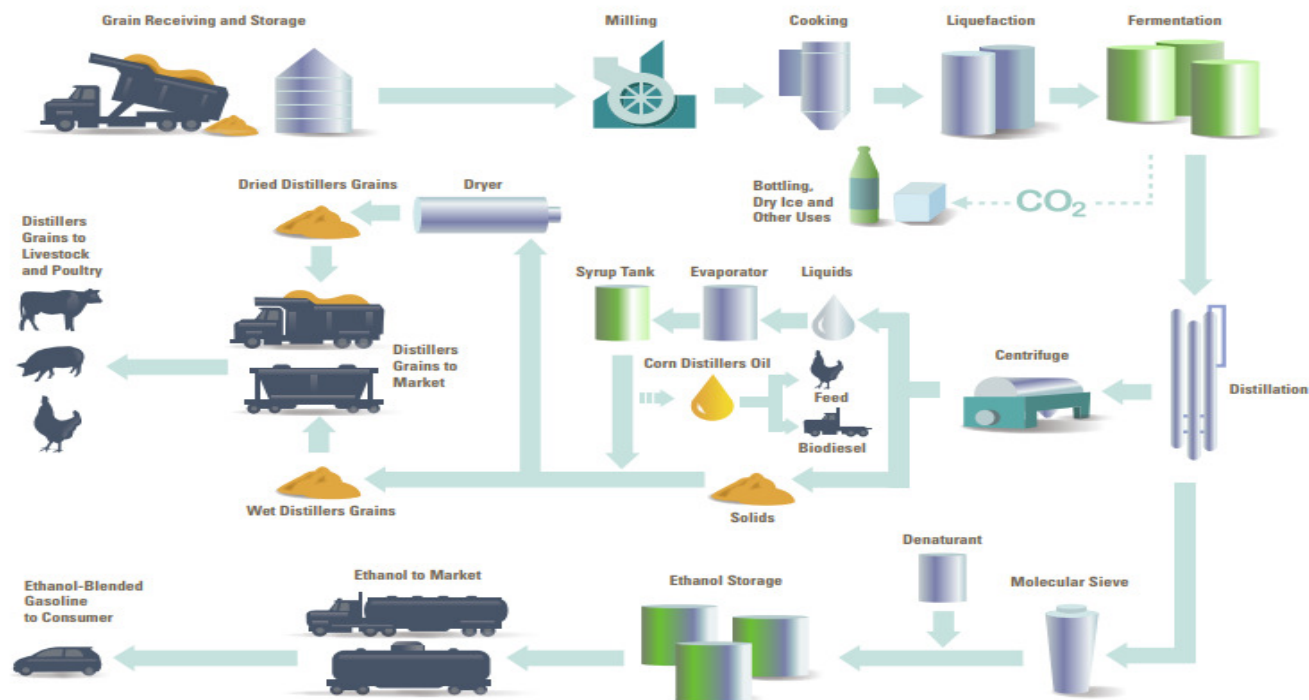


(Source: http://chemicals.nic.in/sites/default/files/XIIth%20Five%20Year%20Plan-Yr%202011_0.pdf)

ETHANOL INDUSTRY

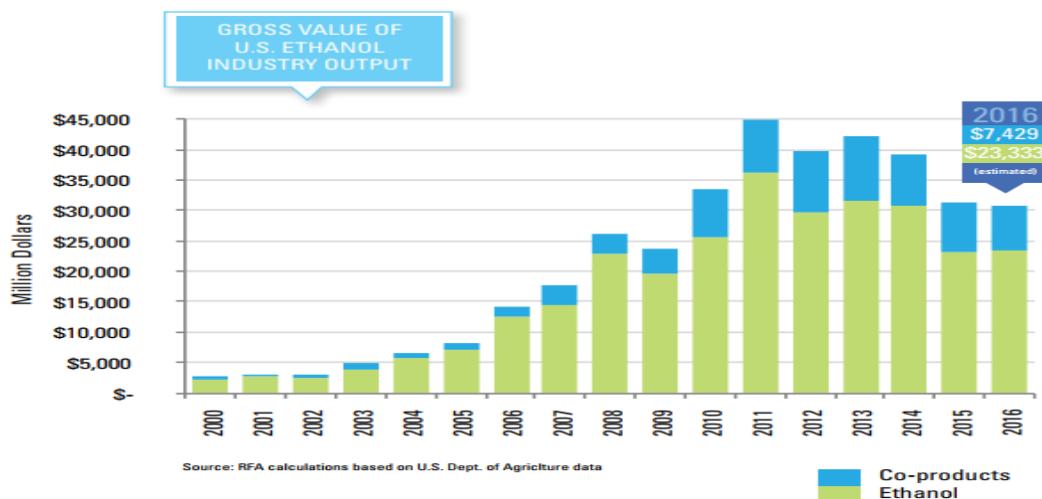
The year 2016 will undoubtedly be remembered as one of the best ever in the history of the U.S. ethanol industry. Driven by unprecedented domestic use and robust export demand, ethanol production reached record heights. And after a lengthy battle, the Renewable Fuel Standard (RFS) was finally put “back on track” when the Environmental Protection Agency announced blending requirements would be returned to statutory levels in 2017. Meanwhile, farmers harvested a record corn crop, ensuring ample feedstock supplies and ending the outlandish “food vs. fuel” myth once and for all. In response to extraordinary demand, 200 operating ethanol biorefineries in 28 states produced a record 15.25 billion gallons of high-octane renewable fuel in 2016, along with roughly 42 million metric tons of high-protein animal feed. Low oil prices sparked record gasoline consumption, leading to unparalleled ethanol use in E10 blends (10% ethanol, 90% gasoline). But higher blends of ethanol also experienced growth, as hundreds of retail stations installed the infrastructure to offer lower-cost, cleaner-burning fuels like E15 and E85. However, as 2017 began, ethanol producers faced a number of important challenges. Unnecessary regulatory obstacles continue to constrain ethanol’s use in the marketplace. Trade barriers continue to prevent consumers in global markets from fully reaping the benefits of American ethanol and feed. And industries whose market share is threatened by ethanol continue attempts to undermine biofuels and the RFS. But even when faced with daunting challenges, U.S. ethanol producers will continue building partnerships and growing markets just as they have done for nearly four decades.

Ethanol’s use as a motor fuel dates back to the days of the Model T. In fact, Henry Ford and Alexander Graham Bell were among the first to recognize that the plentiful sugars and starches found in plants could be easily and inexpensively converted into clean-burning, renewable alcohol fuels. While the concept is the same today as it was then, the ethanol industry has come a long way since those days. Today, sophisticated biorefineries use state-of-the-art technologies to convert grains, beverage and food waste, cellulosic biomass, and other feedstocks into high-octane ethanol. Roughly 90% of the grain ethanol produced today comes from the dry milling process, with the remaining 10% coming from wet mills. In dry milling, the entire grain kernel is first ground into “meal,” then slurried with water to form a “mash.” Enzymes are added to the mash to convert starch to sugar. The mash is cooked, then cooled and transferred to fermenters. Yeast is added and the conversion of sugar to alcohol begins. After fermentation, the resulting “beer” is separated from the remaining “stillage.” The ethanol is then distilled and dehydrated, then blended with about 2% denaturant (such as gasoline) to render it undrinkable. It is then ready for shipment. The stillage is sent through a centrifuge that separates the solids from the solubles. These co-products eventually become distillers grains, as well as corn distillers oil. In wet milling, the grain is first separated into its basic components through soaking. After steeping, the slurry is processed through grinders to separate the corn germ. The remaining fiber, gluten and starch components are further segregated. The gluten component (protein) is filtered and dried to produce animal feed. The remaining starch can then be fermented into ethanol, using a process similar to the dry mill process.



ETHANOL'S ECONOMIC IMPACT

Net farm income fell to a seven-year low in 2016, causing concern across rural America about the state of the agricultural economy. In fact, 2016 net farm income was just roughly half of the record level experienced in 2013. Fortunately, in communities across the heartland, ethanol continued to spur vital economic activity and support high-paying jobs. Indeed, the downturn in the farm economy would have been far worse without the ethanol industry's stabilizing effects. In 2016, the production of a record 15.25 billion gallons of ethanol supported 74,420 direct jobs in renewable fuel production and agriculture, as well as 264,756 indirect and induced jobs across all sectors of the economy. The industry added \$42 billion to the nation's Gross Domestic Product (GDP) in 2016 and paid roughly \$9 billion in taxes. The sector's economic activity and job creation helped raise household income by \$23 billion. Meanwhile, U.S. ethanol producers spent \$25 billion on raw materials, inputs, and other goods and services. The extended reach of U.S. ethanol in global markets is also supporting the economy here at home. Growing exports of both ethanol and co-products are helping to not only reduce the U.S. trade deficit, but also support jobs and income levels in the domestic economy.





ETHANOL EXPORTS AND IMPORTS

As the world's lowest-cost producer, the United States continues to emerge as the international market's most reliable and affordable source of high-octane ethanol. U.S. ethanol exports rose to more than 1 billion gallons in 2016, the second-highest annual total on record. Canada and Brazil remained as the U.S. ethanol industry's top export customers in 2016, with the two countries combining to receive roughly half of total shipments. Exports to Brazil swelled in 2016, as the world's second-leading ethanol producer faced relatively high sugar feedstock prices and struggled to keep up with domestic demand. Shipments to China surged as well, as the country increasingly recognized the value of U.S. ethanol as a solution to worsening urban air pollution. India, Peru, and South Korea were other top markets in 2016. In the meantime, U.S. fuel ethanol imports hit a six-year low, registering at less than 40 million gallons. In fact, it was the third straight year that imports were less than 100 million gallons, despite the demand pull from California's Low Carbon Fuel Standard and the RFS advanced biofuel standard. Ethanol trade policy was back in the spotlight in 2016. A European Union General Court annulled the EU's protectionist 9.5% anti-dumping duty on ethanol imported from the U.S., giving a glimmer of hope that the market may soon re-open. However, the decision was appealed and remained unresolved as the New Year began. Elsewhere, Mexico adopted fuel regulations officially allowing ethanol blends up to 5.8% ethanol in the nation's fuel supply. However, ethanol blending remains prohibited in three of the country's major urban markets—Mexico City, Guadalajara and Monterrey. Finally, China substantially raised import duties on U.S. ethanol as 2017 began, which is expected to sharply curtail exports to that nation. RFA continues working with its partners, both in industry and the federal government, to overcome these trade barriers and facilitate growth in the world market for U.S. ethanol.

(Source-<http://www.ethanolrfa.org/wp-content/uploads/2017/02/Ethanol-Industry-Outlook-2017.pdf>)



OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section “Forward-Looking Statements” for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the Twelve-month period ended March 31 of that year. In this section, a reference to the “Company” or “we”, “us” or “our” means Sterling Chemicals and Alcohols Limited.

All financial information included herein is based on our “Financial information of the Company” included on page 141 of this Draft Prospectus.

OVERVIEW

Our Company is engaged in manufacturing of chemicals such as Ethanol and its various grade specifically for use of pharmaceutical and chemicals industries. Ethanol is a renewable, domestically produced alcohol fuel made from plant material, such as corn, sugar cane, or grasses. Using ethanol can reduce oil dependence and greenhouse gas emissions. The ethanol alcohol offered by us is a water miscible and colorless liquid, which is free from suspended particles. Used for various industrial applications, including fuel blending with petrol and many others, the ethanol alcohol is greatly demanded by customers. By providing matchless quality of ethanol alcohol. Our Company have started supplying fuel ethanol to oil refining and marketing companies in India for petrol blending also.

Our Company has originally started its production with in the year 1997 with capacity of 5 KLPD (5000 Bulk Liter per Day) of manufacturing and then after in the year 2001 our company expanded the capacity to 30KLPD (30,000 Bulk Liter per Day) after installation of second plant with advance vapor phase dehydration process. In order to strengthen our business operation and continue to invest in technology, our Company has purchased Anhydrous Ethanol Plant which strengthen our total production capacity to 80 KLPD in the year 2016-17. Our company also developed special extra pure grades of Ethanol in own laboratory and enhanced our lab Facility with new technology of machines like Gas Chromatography & Ultraviolet Specter photo meter testing.

The manufacturing process of ethanol is based on the Molecular Sieve Technology. The Rectified Spirit is the initial product. The rectified spirit from the rectifier column is collected in a separate tank and passed through pre-heater to raise the temperature to the appropriate level, then fed in to the recovery column and heated through re-boiler by steam to produce vapours and the vapours are super-heated with steam in super heater. The Super-heated alcohol vapour is passed through one of the pair of molecular sieve beds through auto mode.

The water molecules are absorbed by the molecular sieves and become saturated. When the first molecular sieve bed saturated with water, automatically alcohol vapours will pass through the second bed. In first bed vacuum is created and water molecules accumulated are removed by desorption. The ethanol vapours having alcohol are condensed and stored in the receiver tanks. The desorbed liquid contains 70 % - 75 % alcohol which is partially used for creating vacuum and remains recycled to recovery column.

Our Products are manufactured at our unit situated at Sanaswadi, Taluka, Shirur, Pune, Maharashtra. Presently the promoters of the Company are Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti who have experience of about three decades in Chemical Industry. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decades in the industry in which our Company operates.

For the month ended December 31, 2017, our Company’s Total Revenue and Restated Profit after Tax were Rs.4322.45 Lacs and Rs. 97.86 Lacs, respectively. For the year ended March 31, 2017, our Company’s Total Revenue and Restated Profit after Tax were Rs.6567.74 Lacs and Rs. 151.46 Lacs, respectively. For the year ended March 31, 2016, our Company’s Total Revenue and Restated Profit after Tax was Rs.4934.82 Lacs and Rs.54.52 Lacs respectively, compared to our Company’s Total Income and Restated Profit after Tax of Rs.4139.53 Lacs and Rs.51.62 Lacs respectively, over previous year ended i.e. March 31, 2015.



Competitive Strengths

Strategic Location of Manufacturing Unit / Location Advantage

Our factory is situated at Sanaswadi, Taluka Shirur, Pune where we have set up our manufacturing units which is well known for chemical industry which gives us an advantage for easy availability of raw material for manufacturing of chemicals. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our products supplied to chemical industry, pharmaceutical industry, cosmetics, perfumery Industry, Industrial applications, chemical laboratories, research and educational institutions, hospitals. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

Experienced Management Team

Our Promoter has vast experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to increase the capacity of production and capitalize on the growth opportunities in the Chemical Industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

Our global sales and marketing network

Our Customer base is spread in all over India like Maharashtra, Gujarat, Goa, Madhya Pradesh, Telangana, Karnataka States and identified overseas market in East/West Africa & Saudi. We have focused on growing our international reach and now have presence in many countries such as East/West Africa & Saudi. We are enhancing our global presence by offering customer better product varieties and quality at economical prices.

Quality Assurance and Standards

The success of the company lies in its strategic ideology of keeping pace with the times. Our Quality Policy covers the entire gamut of our operations, from using the best raw materials to strict control at every stage of manufacturing and packaging. With congenial working environment, strong infrastructure, highly skilled and dedicated technical staff & committed management work to maintain updated Quality Management Systems that have resulted in compliance with the highest standards, of quality safety and productivity.

Well Established Manufacturing facilities

Our existing manufacturing facility is established in the state of Maharashtra, Sanaswadi, Taluka, Shirur, Pune with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated Vaporizer, Air Compressor tanks, RO Plant and Programmable Logic Controller. Our unit has processing plant for manufacturing Ethanol and its various grade. The established manufacturing plant adds significant competitive advantage in manufacturing process of our Company.

Existing relationship with suppliers

We manufacture Ethanol and denatured spirit for Chemicals and Pharmaceuticals manufacturing Companies. We acquire raw materials, basically rectified spirit, from several suppliers and have enduring relationship with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

OUR BUSINESS STRATEGIES:-

Improve capacity utilization and increase operational efficiencies

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and



therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in unit. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

Maintain consistent profitability

We have generated strong revenue from operations in past decade from the year 2007 to 2017 at a growth stage under the leadership of our Promoter Mr. Jayant Shamrao Arbatti. This has enabled us to further invest in our business. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

Optimal Utilization of Resources

Our Company constantly endeavors to improve our Manufacturing process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

Leveraging our Market skills and Relationships

This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

SWOT ANALYSIS:

<u>Strengths</u> <ul style="list-style-type: none"> ➤ Well Established Manufacturing facility ➤ Quality assurance and Standard ➤ Experience Management Team. 	<u>Weakness</u> <ul style="list-style-type: none"> ➤ Working Capital Intensive Business
<u>Opportunities</u> <ul style="list-style-type: none"> ➤ Potential to increase capacity in the existing facility ➤ Establishment of market in neighboring states 	<u>Threats</u> <ul style="list-style-type: none"> ➤ Industry is prone to change in government policies, ➤ Any material changes in the duty may adversely impact our financials

Our Manufacturing facilities:

Our manufacturing facility at Sanaswadi, Taluka Shirur, Pune. Presently, our manufacturing facility is at par with international standards and complies with global regulatory norms adequately reflecting our commitment towards quality and safety.



Sterling Chemicals and Alcohols Limited

Our Manufacturing facilities have Land that includes:-

Description	Approx. Area
Main Office Building	215.76 Sqm
Godown	169.08 Sqm
Ground floor	278.00 Sqm
Mezzanine Floor	132.00 Sqm
Bottling Room Feed Tank	85.00 Sqm
Godown, Plant- Roof	534.16 Sqm
Tank Shed Roof	1300 Sqm
Laboratory	42.00 Sqm
Denatured Room	132.00 Sqm
Worker Lunch Room	120.00 Sqm
R O Water Plant Roof	450.00 Sqm
Cooling Tower	45 Cubic Mtrs Area.
Water Tank	100 Cubic Mtrs Area. (Capacity 1 Lakh Bulk Ltrs.)

We have various Storage Tanks with different capacities:-

Tank Name	Total Storage Capacity (In Liters)
VAT-1	503579.00
VAT-2	505431.00
VAT-3	97199.00
VAT-4	97199.00
RS-3	224495.00
A.A.-3	219848.00
Feed-1	35495.00
FT-II	32142.00
D.S.T.-1	35547.00
D.S.T.-2	35609.00
D.S.T.-3	32142.00
VAT-5	24498.00
VAT-6	24498.00
VAT-7	14647.00
VAT-8	14647.00







Our Products and its specification:-

S.No.	PRODUCT NAME	DISCRIPTION AND SPECIFICATION
1.	Ethyl Alcohol (Industrial Grade) Hydrous/ Anhydrous	Clear, colorless, volatile liquid, free from suspended matters contains Specific gravity at 20 o/20o C Max.-0.8126, Ethanol content, % v/v at 20o C Min.-95.00, Miscibility with water, Alkalinity-Nil, Acidity (mg/L) Max.-100.00, Aldehyde content (mg/L) Max.-1000.00, Ester content (mg/L) Max.-200.00, Methanol content(mg/L) Max.-200.00, Fuel Oil /Higher Alcohol content (mg/L) Max. - 400.00, Furfural content, (mg/L) Max. – ND, Residue on evaporation (% by mass) Max.-0.010, Copper (as Cu (mg/L) Max. -4.0, Lead (as Pb), (mg/L) Max.-1.0
2.	Ethyl Alcohol (Pharma Grade) Hydrous/ Anhydrous	Clear, colorless, volatile liquid, free from suspended matters. Specific gravity at 20 o/20o C Max.0.8126, Ethanol content, % v/v at 20o C Min.-95.00, Miscibility with water, Alkalinity-Nil, Acidity (as Acetic acid), (mg/L) Max.-60.00, Aldehyde content (as Acetaldehyde), (mg/L) Max.-60.00, Ester content (as Ethyl acetate)(mg/L) Max.200.0, Methanol content (mg/L) Max.-150.00, Fuel Oil /Higher Alcohol content, (mg/L)Max.300.00, Furfural content(mg/L) Max.-ND, Residue on evaporation (% by mass) Max.-0.005, Copper (as Cu) (mg/L) Max.-4.00, Lead (as Pb), (mg/L) Max.1.000
3.	Ethyl Alcohol-CAS (Hydrous) Potable Grade	Clear, colorless, volatile liquid, free from suspended matters, Specific gravity at 20 o/20o C, Max.-0.8127, Ethanol content, % v/v at 20o C Min. ≥96.0, Miscibility with water. Alkalinity-Nil to phenolphthalein, Acidity, (as Acetic acid), (mg/L) Max-30.00, Aldehyde content (as Acetaldehyde), mg/L Max.-30.00, Ester content, (as Ethyl acetate),(mg/L) Max. 100.00, Methanol content (mg/L) Max.-160.00, Fuel Oil /Higher Alcohol content (mg/L) Max.-150.00, Furfural content, mg/L Max.-ND, Permanganate time Minutes Min-10
4.	Ethyl Alcohol (Perfumery Grade) Hydrous	Clear, colorless, volatile liquid, free from suspended matters, Specific gravity at 15.6 o/15.6o C, Max-0.8337, Ethanol content, % v/v at 15.6o C.≥90, Miscibility with water, Alkalinity-Nil, Acidity (as Acetic acid), % w/w Max.0.002, Aldehyde content (as Acetaldehyde), (mg/L) Max-To pass the test, Fusel Oil /Higher Alcohol content (mg/L) Max-To pass the test.
5.	Ethyl Alcohol (Neutral Grade) Hydrous	Clear, colorless, volatile liquid, free from suspended matters, Relative Density at 15oC-0.81245 to 0.81679, Ethanol content, % v/v at 15.6o C. 94.00 to 96.00, Miscibility with water, Alkalinity-Nil, Acidity ,(as Acetic acid), (mg/L) Max.-20.00, Aldehyde content (as Acetaldehyde), (mg/L) Max.-40.00, Ester content, (as Ethyl acetate) (mg/L) Max. 100.00, Methanol content (mg/L) Max.-200.00, Isopropyl Alcohol, Acetone & other Ketones Max.-To satisfy the test, Furfural content, (mg/L) Max.-ND, Residue on evaporation (% by mass Max.)-0.002, Permanganate time, Minutes Min.-30
6.	Ethyl Alcohol (Extra Neutral Alcohol) Hydrous/Anhydrous	Clear, colorless, volatile liquid, free from suspended matters, Odor & taste No foreign odor or taste, Clarity of soln on 1:19 dilution with water-Clear & miscible completely, Specific gravity at 20 o/20o C, Max.-0.8087, Ethanol content, % v/v at 20o C. ≥ 96.00, Miscibility with water, Alkalinity-Nil to phenolphthalein, Acidity, (as Acetic acid), mg/L Max. -30.00, Aldehyde content, (as Acetaldehyde) (mg/L) Max.-10.00, Ester content, (as Ethyl acetate) (mg/L) Max.-100.00, Methanol content, (mg/L) Max.-150, Higher Alcohols, (mg/L) Max.-30, Furfural content, (mg/L) Max.-ND. Residue on evaporation, (mg/L) Max.-20.00, Permanganate time, Minutes Min.-30
7.	Ethyl Alcohol (Special Grade to Meet EP/BP/USP/IP) Hydrous/Anhydrous	Clear, colorless, mobile, volatile liquid, free from any solid materials. Has a characteristic odor and produces burning sensation on the tongue. Readily volatilized even at low temperature, and boils at about 78o C.Is flammable. Solubility- Miscible with water and many organic solvents, Clarity of solution.-Test solution A and Test solution B show the same clarity as that of water, or their opalescence is not more pronounced than that of reference suspension A., Color of solution-The test solution has the appearance of water or is not more intensely colored than the standard solution, Identification (A) By Sp. Gravity (B) By IR- It complies the test for specific gravity the IR Spectrum of the test exhibits maxima only at the same wavelength as that of a similar preparation of hydrated Alcohol, Specific gravity. Not more than 0.7962 at 15.56o C, Indicating not less than 92.3% of C ₂ H ₅ OH, by weight, corresponding to not less than 94.9% to 96 % by volume at 15.56o C., Acidity or alkalinity-The solution is colorless. On addition of 1.0 ml of 0.01 N



		Sodium hydroxide, to 20 ml alcohol, it should change to pink., Ultraviolet absorption- At 240 nm absorbance is not more than 0.40 Between 250 nm and 260 nm maximum absorbance is not more than 0.30, Between 270 nm and 340 nm maximum absorbance is not more than 0.10, Between 235 nm and 340 nm the absorbance curves. Is smooth. (All requirements are in 5 cm cell). Volatile impurities by GC- Methanol-Not more than 200 ppm. Sum of content of acetaldehyde and acetal expressed as acetaldehyde Not more than 10 ppm. Benzene-Not more than 2 ppm, Total of all other impurities-Not more than 300 ppm, Limit of non-volatile residue-The weight of the residue does not exceed 2.5 mg/100 ml=25 ppm.
8.	Mixed Industrial Solvents EA/IPA (85% Ethyl Alcohol & 15% of other Solvents)	Clear, Colorless Liquid, Density at 20 o C gm/ml.-0.795, Ethanol content, % v/v. (85±2), Isopropyl Alcohol, % v/v. (15±2), Miscibility with water, Alkalinity-Nil., Acidity (as Acetic acid), g/100ml Max. 0.010, Aldehyde content (as Acetaldehyde), g/100ml Max.-0.100, Ester content (as Ethylacetate), g/100 ml Max.-0.020, Methanol content, g/100 ml Max.-0.050, Furfural content, g/100 ml Max.-ND-, Residue on evaporation (% by mass) Max.-0.010, Water content % v/v.-0.600

Main Features of our Products:-

- Cleared & colorless
- Volatile liquid
- Miscible with water
- Non toxic
- Hygroscopic
- Characteristic & Spirituous Odor
- Identification and Purity of GC test

Uses of Our Products:-

Our Company is supplying its products to Chemical Industry, Pharmaceutical Industry, Paints & Printing Inks Industry, Cosmetics, and Perfumery as well as to defense sector, Chemical Laboratories, Research & Educational Institutions, Hospitals etc. Our Company has started supplying fuel ethanol to oil refining & marketing companies in India for petrol blending. The Company is continuously supplying other grades of ethanol to chemical and Pharma industries.

Manufacturing Process:-

The manufacturing process of Ethanol is based on the vapor phase molecular sieve dehydration technology. The Rectified Spirit is the initial product obtained. It is vaporized. The vapors are superheated and passed through dry molecular sieve packed in towers. There are three molecular sieve towers. Alcohol water vapors as they go through molecular sieve and sieve gets aborted water and pure absolute alcohol is passes from the bottom side of towers. After depressor molecular sieve gets saturated with water and require regeneration Vacuum is applied to the tower so that water and some alcohol in the tower come out in regeneration tank. Regeneration tank flow continuously goes to recovery column. Tower outlet absolute alcohol passes from recovery column bottom re boiler PHE. Cool it and goes to finish storage tank. In the meantime Rectified spirits vapors are passed through second, third tower and the same process repeated. Vacuum is applied through vacuum pump provided. Heat exchangers are provided to condense and cool the product. Regeneration material (60% v/v and depressor material (94.5 % v/v) sent to recovery column to distil strong spirit of 95% v/v alcohol. Water separated from bottom section.

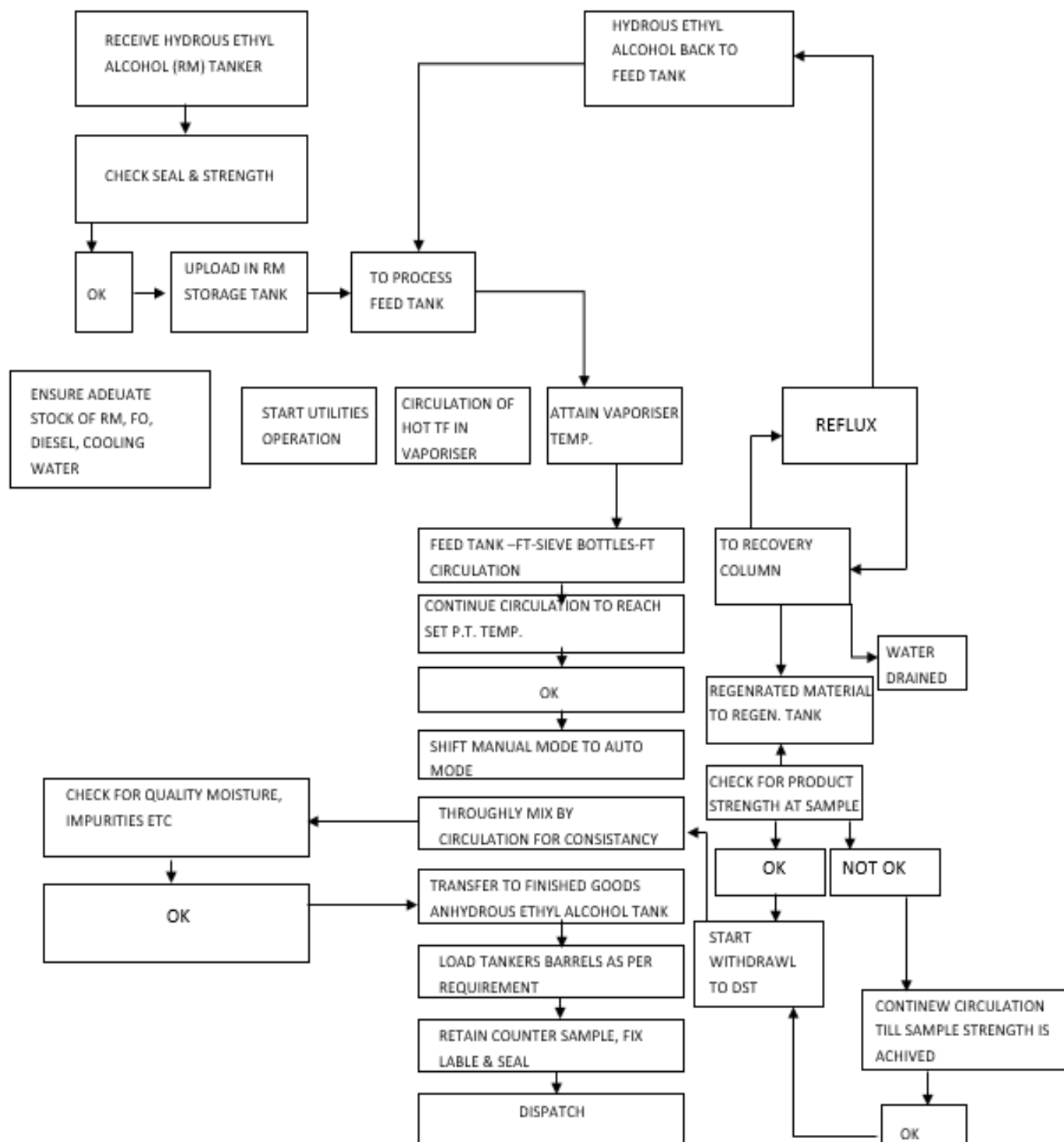
Receivers are provided for measuring daily production, storage tanks for Rectified spirit and Absolute Alcohol are provided in the premises.

A mixture of Ethyl Alcohol & water is preheated in a feed economizer & further vaporized in vaporizer. Vaporizer is heated by hot thermic fluid circulation with a Thermopac. Hydrous Ethyl Alcohol vapor passes down a Battery of molecular sieves column – 3 nos. One of the column is in adsorption mode while the other two are in regeneration mode. The sequencing is controlled by a PLC which automatically performs necessary switching of the columns from the adsorption to regeneration & visa versa on a regular basis to perform the drying process efficiently. As the vapor passes down the column, water is adsorbed in the pores of the sieves & Anhydrous Ethyl Alcohol passes. Dried product Alcohol leaves the adsorption sieves column & is condensed back to liquid phase & cooled to ambient temp in the product cooler. During regenerating mode, the adsorbed water is removed by applying vacuum to the column under regeneration. The stream generated during the regeneration step, containing all of the water from the saturated bed & some



Ethyl Alcohol as well, is taken to recovery column. Here the weak Alcohol is concentrated to 94-95% strength & is recycled back to the system while water leaves the recovery column from its base. With PLC based control system, critical process parameters are constantly monitored & required control action is decided accordingly through pneumatically controlled valves.

MANUFACTURING PROCESS FLOW CHARTS:-





OUR LOCATION:-

Registered Office & Factory	GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune - 412208, Maharashtra, India.
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CAPACITY UTILISATION:-

Particulars	Existing			Proposed		
	2014-15	2015-2016	2016-17	2017-18	2018-19	2019-20
Installed Capacity	90,00,000	90,00,000	90,00,000	1,65,00,000	1,65,00,000	1,65,00,000
Capacity Utilization (in %)	71.59%	81.73%	65.33%	62.80%	69.08%	75.99%

PLANT & MACHINERY:-

We have installed sufficient Plant and Machinery for manufacturing of Ethanol which includes Hydrous & Un Hydrous Plant (special grade Ethanol Plant), 50 KLPD Molecular Sieve Based Anhydrous Ethanol Plant, R. O. Water Plant, D. G. Set, Air Compressor Tank, Thermic Fluid Heater, Cooling Tower, Water Tank Storage Tanks, Dehydration plant, lab Facility, Gas Chromatography & Ultraviolet Specterphotometer.

COLLABORATIONS/TIE UPS/ JOINT VENTURES:-

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

EXPORT OBLIGATION: Our Company does not have any export obligation as on date.

MARKETING:-

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our company for a long period. Our Directors, Mr. Jayant Shamrao Arbatti, through their vast experience and good rapport with clients owing to timely and quality delivery of spirit plays an instrumental role in creating and expanding a work platform for our Company. We avail both direct and indirect channels of sales for selling and marketing our products.

MARKETING STRATEGY:-

In future we intend to focus on following marketing strategies:

- Focus on existing markets and increasing our customer base.
- Continuously holding markets Trends

COMPETITION:-

We face substantial competition for our products from other manufacturers in domestic market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of Manufacturing of Ethanol, Absolute Alcohol with Volatized feature including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Fineotex Chemicals Limited
- Vadivarhe Speciality Chemicals Ltd.

INFRASTRUCTURE & UTILITIES:-



Raw Materials:-

The Company has procures its raw- material mainly from Co-operative Sugar factories in bulk Liter, located in and around Maharashtra throughout the year.

Power:-

The requirement of power for our operations, like power for running unit and operating the machinery/equipment is met through Maharashtra State Electricity Distribution Company Limited. In addition, the company has installed DG Sets with capacity of 200 KVA as standby arrangement

Water:-

Water requirement is high and is procured through private contractor through pipeline and locally by way of existing water supply network in that area.

Human Resource:-

As on December 31, 2017 our Company has 18 employees. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Further our company hires casual worker for factory on contract. Our manufacturing processes include skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

INSURANCE:-

We maintain a range of insurance policies to cover our assets, risks and liabilities. Substantially all of our insurance policies related to our registered office, factories, our movable property provide appropriate coverage in relation to fire, explosions, earthquakes, landslides. We constantly evaluate the risks in an effort to be sufficiently covered for all known risks. We believe that the amount of insurance coverage presently maintained by us represents an appropriate level of coverage required to insure our business and operations and is in accordance with the industry standard in India.

PROPERTY:-

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name	Creation Date	Registration Expiry Date
1.	Domain Name: www.scapl.net Registry Domain ID: 1885567570_DOMAIN _NET-VRSN	Registrar: Net 4 India Limited Registrar IANA ID: (1007)	Registrant Name: Sterling Chemicals and Alcohols Private Limited	16-11-2014	16-11-2018

IMMOVABLE PROPERTY:-

Details of our properties are as follows: -

Registered Office and factory:-



S. No.	Details of the Property	Use	Owned/ Leased/ License	Licensor / Lessor / Vendor	Consideration/ Lease Rental/ License Fees
REGISTERED OFFICE & FACTORY					
1.	943/1A/1, Sanaswadi, Taluka Shirur, Shirur, Pune - 412208, Maharashtra, India.Maharashtra.	Registered Office and Factory	Owned	M/s Sterling Organic Chemicals through director Mr. Jayant Shamrao Arbatti	Sale Deed dated November 18, 1996 Sr. No. 1499/1996 between Sterling Chemicals and Alcohols Private Limited through director Mr. Jayant Shamrao Arbatti and Sterling Organic Chemicals through director Mr. Jayant Shamrao Arbatti for consideration of 100,000/- (Rupees One Lac)
1.	943/1A/1, Sanaswadi, Taluka Shirur, Shirur, Pune - 412208, Maharashtra, India.Maharashtra.	Registered Office and Factory	Owned	Mr. Goraksha Kisan Bhujbal	Sale Deed dated November 18, 1996 Sr. No. 1498/1996 between Sterling Chemicals and Alcohols Private Limited through director Mr. Jayant Shamrao Arbatti and Mr. Goraksha Kisan Bhujbal for consideration of 70,000/- (Rupees Seventy Thousand)
2.	943/1A/1/2, Sanaswadi, Taluka Shirur, Shirur, Pune - 412208, Maharashtra,	Factory of the Company	Owned	Doner- Mr. Jayant Shamrao Arbatti, Mr. Dilip Shamrao Arbatti , Mr, Ajit Shamrao Arbatti and Mrs. Sindhu Shamrao Arbatti	Gift Deed dated September 05, 2014 between Mr. Jayant Shamrao Arbatti, Mr. Dilip Shamrao Arbatti, Mr, Ajit Shamrao Arbatti and Mrs. Sindhu Shamrao Arbatti (Doner) and Sterling Chemicals and Alcohols Private Limited without consideration.



REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to our business. The information detailed in this chapter has been obtained from various legislations, including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations and policies set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice. The Company may be required to obtain licenses and approvals depending upon the prevailing laws and regulations as applicable. For details of such approvals, please see the section titled “Government and other Approvals” on page 191 of this Draft Prospectus.

We are subject to a number of Central and State legislations which regulate substantive and procedural aspects of the business. Additionally, the business activities of our Company require sanctions, approval, license, registration etc. from the concerned authorities, under the relevant Central and State legislations and local bye-laws. For details of Government and Other Approvals obtained by the Company in compliance with these regulations, see section titled —Government and Other Approvals beginning on page no. 191 of this Draft Prospectus. The following is an overview of some of the important laws, policies and regulations which are pertinent to our business as a player in the field of Chemicals Industry.

A. STATUTORY AND COMMERCIAL LAWS

The Companies Act, 1956

The Act deals with laws relating to companies and certain other associations. It was enacted by the parliament in 1956. The Companies Act primarily regulates the formation, financing, functioning and winding up of companies. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

The Companies Act, 2013

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. As on date, till date, total 427 sections are notified by Ministry of Corporate Affairs. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013.

Competition Act, 2002

The Competition Act, 2002 “prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified recently on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.



Industrial (Development and Regulation) Act, 1951

The Industrial (Development and Regulation) Act, 1951 has been liberalized under the New Industrial Policy dated July 24, 1991, and all industrial undertakings have been made exempt from licensing except for certain industries such as distillation and brewing of alcoholic drinks, cigars and cigarettes of tobacco and manufactured tobacco substitutes, all types of electronic aerospace and defense equipment, industrial explosives including detonating fuses, safety fuses, gun powder, nitrocellulose and matches and hazardous chemicals and those reserved for the small scale sector. An industrial undertaking, which is exempt from licensing, is required to file an Industrial Entrepreneurs Memorandum ("IEM") with the Secretariat for Industrial Assistance, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and no further approvals are required.

Indian Contract Act, 1872

Indian Contract Act codifies the way we enter into a contract, execute a contract, and implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties.

The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the Act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

Negotiable Instruments Act, 1881

In India, cheques are governed by the Negotiable Instruments Act, 1881, which is largely a codification of the English Law on the subject. The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honoured by their bankers and returned unpaid. Section 138 of the Act, creates statutory offence in the matter of dishonour of cheques on the ground of insufficiency of funds in the account maintained by a person with the banker which is punishable with imprisonment for a term which may extend to two year, or with fine which may extend to twice the amount of the cheque, or with both.

The Registration Act, 1908 ("Registration Act")

The Registration Act was passed to consolidate the enactments relating to the registration of documents. The main purpose for which the Registration Act was designed was to ensure information about all deals concerning land so that correct land records could be maintained. The Registration Act is used for proper recording of transactions relating to other immovable property also. The Registration Act provides for registration of other documents also, which can give these documents more authenticity. Registering authorities have been provided in all the districts for this purpose.

Indian Stamp Act, 1899(the "Stamp Act")

Under the Indian Stamp Act, 1899 (the "**Stamp Act**") stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments chargeable to duty under the Stamp Act, which are not duly stamped are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all.

The Sale of Goods Act, 1930(Sale of Goods)

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the



delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer's right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.

The Arbitration and Conciliation Act, 1996

This act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimise the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

Electricity Act, 2003

The Electricity Act, 2003 has been recently introduced with a view to rationalize electricity tariff, and to bring about transparent policies in the sector. The Act provides for private sector participation in generation, transmission and distribution of electricity, and provides for the corporatization of the state electricity boards. The related Electricity Regulatory Commissions Act, 1998 has been enacted with a view to confer on these statutory Commissions the responsibility of regulating this sector.

The Specific Relief Act, 1963

The Specific Relief Act, 1963 ("Specific Relief Act") is complimentary to the provisions of the Contract Act and the Transfer of Property Act, as the Act applies both to movable property and immovable property. The Specific Relief Act applies in cases where the Court can order specific performance of a contract. Specific relief can be granted only for purpose of enforcing individual civil rights and not for the mere purpose of enforcing a civil law. 'Specific performance' means Court will order the party to perform his part of agreement, instead of imposing on him any monetary liability to pay damages to other party.

The Legal Metrology Act 2009

The Legal Metrology Act, 2009 ("LMA") provides for establishing uniform standards of weights and measures regulate trade in weights, and other goods which are sold or distributed by weight, measure or number. Every manufacturer, repairer and seller shall have to obtain a license from the respective Controller. The Act allows Govt. approved test centers to verify weights and measures.

The Indian Boilers Act, 1923

The Boilers Act states that the owner of any boiler (as defined therein), which is wholly or partly under pressure when is shut off, shall under the provisions of the Boilers Act, apply to the Inspector appointed thereunder to have the boiler registered which shall be accompanied by prescribed fee. The certificate for use of a registered boiler is issued pursuant to such application, for a period not exceeding twelve months, provided that a certificate in respect of an economiser or of an unfired boiler which forms an integral part of a processing plant in which steam is generated solely by the use of oil, asphalt or bitumen as a heating medium may be issued for a period not exceeding twenty-four months in accordance with the regulations made under Boilers Act. On the expiry of the term or due to any structural alteration, addition or renewal to the boiler, the owner of the boiler shall renew the certificate by providing the Inspector all reasonable facilities for the examination and all such information as may reasonably be required of him to have the boiler properly prepared and ready for examination in the prescribed manner.



B. LAWS RELATING TO LABOUR AND EMPLOYMENT

As part of business of the Company it is required to comply from time to time with certain laws in relation to the employment of labour. A brief description of certain labour legislations which are applicable to the Company is set forth below:

The Factories Act, 1948

The Factories Act defines a 'factory' to be any premises including the precincts thereof, on which on any day in the previous 12 months, 10 or more workers are or were working and in which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or where at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions. If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment or with a fine or with both.

The Maharashtra Factories Rules, 1963

The Maharashtra Factories Rules, 1963 (the "Rules") seek to regulate labour employed in factories in the State of Maharashtra and makes provisions for the safety, health and welfare of the workers. The Rules also mandate maintenance of certain statutory registers in the factory.

Employees State Insurance Act, 1948, as amended (the "ESIC Act")

The Employee's Compensation Act, 1923 has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their work men or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

The Minimum Wages Act, 1948

The State Governments may stipulate the minimum wages applicable to a particular industry. The minimum wages generally consist of a basic rate of wages, cash value of supplies of essential commodities at concession rates and a special allowance, the aggregate of which reflects the cost of living index as notified in the Official Gazette. Workers are to be paid for over time at over time rates stipulated by the appropriate State Government. Any contravention may result in imprisonment of upto six months or a fine of upto Rs. 500. Further, employees who have been paid less than the minimum wages are entitled to the payment of the shortfall amount, together with compensation, which may extend up to ten times the shortfall amount.

Employees' Compensation Act, 1923

The Employee's Compensation Act, 1923 ("ECA") has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Act makes every employer liable to pay compensation in accordance with the Act if a personal injury / disablement / loss of life is caused to a workman (including those employed through a contractor) by an accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the Act within one month from the date it falls due, the Commissioner may direct the employer to pay the compensation amount along with interest and may also impose a penalty.



Payment of Wages Act, 1936

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments, either directly or indirectly through a sub-contractor, where the monthly wages payable to such persons is less than Rs.10,000/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

The Payment of Gratuity Act, 1972

The Gratuity Act establishes a scheme for the payment of gratuity to employees engaged in every factory, mine, oil field, plantation, port and railway company, every shop or establishment in which ten or more persons are employed or were employed on any day of the preceding twelve months and in such other establishments in which ten or more employees are employed or were employed on any day of the preceding twelve months, as notified by the Central Government from time to time. Penalties are prescribed for non-compliance with statutory provisions. Under the Gratuity Act, an employee who has been in continuous service for a period of five years will be eligible for gratuity upon his retirement, resignation, superannuation, death or disablement due to accident or disease. However, the entitlement to gratuity in the event of death or disablement will not be contingent upon an employee having completed five years of continuous service. The maximum amount of gratuity payable may not exceed Rs. 1 million.

Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“Act”) and the schemes formulated there under (“Schemes”)

This Act provides for the institution of provident funds, family pension funds and deposit linked insurance fund for the employees in the factories and other establishments. Accordingly, the following schemes are formulated for the benefit of such employees:

- i. **The Employees Provident Fund Scheme:** As per this Scheme, a provident fund is constituted and both the employees and employer contribute to the fund at the rate of 12% (or 10% in certain cases) of the basic wages, dearness allowance and retaining allowance, if any, payable to employees per month.
- ii. **The Employees Pension Scheme:** Employees’ Pension Scheme is Pension Scheme for survivors, old aged and disabled persons. This Scheme derives its financial resource by partial diversion from the Provident Fund contribution, the rate being 8.33%. Thus, a part of contribution representing 8.33 per cent of the employee’s pay shall be remitted by the employer to the Employees’ Pension fund within 15 days of the close of every month by a separate bank draft or cheque on account of the Employees’ Pension Fund contribution in such manner as may be specified in this behalf by the appropriate authority constituted under the Act. The Central Government shall also contribute at the rate of 1.16 per cent of the pay of the members of the Employees’ Pension Scheme and credit the contribution to the Employees’ Pension Fund.
- iii. **The Employees Deposit Linked Insurance Scheme:** As per this Scheme, the contribution by the employer shall be remitted by him together with administrative charges at such rate as the Central Government may fix from time to time under Section 6C (4) of the Act, to the Insurance Fund within 15 days of the close of every month by a separate bank draft or cheque or by remittance in cash in such manner as may be specified in this behalf by the appropriate authority constituted under the Act.

Payment of Bonus Act, 1965

The Payment of Bonus Act, 1965 (“PoB”) Act provides for payment of minimum bonus to factory employees and every other establishment in which 20 or more persons are employed and requires maintenance of certain books and registers and filing of monthly returns showing computation of allocable surplus, set on and set off of allocable surplus and bonus due.

The Contract Labour (Regulation and Abolition) Act, 1970

The purpose of Contract Labour (Regulation and Abolition) Act, 1970 is to regulate the employment and protect the interests of the workers who are hired on the basis of individual contracts in certain establishments. In the event that any activity is outsourced, and is carried out by labourers hired on contractual basis, then compliance with the Contract Labour (Regulation and Abolition) Act, including registration will be necessary and the principal employer will be held liable in the event of default by the contractor to make requisite payments towards provident fund etc.



The Equal Remuneration Act, 1976 ("Equal Remuneration Act") and Equal Remuneration Rules, 1976

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides for payment of equal wages for equal work of equal nature to male or female workers and for not making discrimination against female employees in the matters of transfers, training and promotion etc.

Child Labour (Prohibition and Regulation) Act, 1986

This statute prohibits employment of children below 14 years of age in certain occupations and processes and provides for regulation of employment of children in all other occupations and processes. Under this Act the employment of child labour in the building and construction industry is prohibited.

The Maternity Benefit Act, 1961("Maternity Act")

The Maternity Benefit Act, 1961 was enacted by Parliament in the Twelfth Year of the Republic of India to regulate the employment of women in certain establishments for certain periods before and after child-birth and to provide for maternity benefit and certain other benefits.

The Maharashtra Shops & Establishment Act, 1948

The Maharashtra Shops & Establishment Act, 1948 is applicable in the state of Maharashtra and was enacted for the interest and to regulate the working condition of the employees engaged in Shops, Commercial Establishments, Hotel, Theatres and other Establishments. This Act restricts timing of opening and closing hours of Shops and Commercial Establishment. It keeps control on daily and weekly hours of work of the employees, interval for rest, Spread over. It provide overtime wages, paid holiday and Leave with wages to employees. It also provides Health and Safety.

Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975

The Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 shall be deemed to have come force on the 1st day of April, 1975. It extends to the whole of the State of Maharashtra. Profession Tax is a tax may be imposed on Professions and Employments even though the employee is already paying income tax. It is a tax on Professions, Trades, Callings and Employment for raising the resources needed for implementing the Employee Guarantee Scheme of the Maharashtra State Govt. and to provide for establishment of the Employment Guarantee Fund.

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or behaviour namely, physical contact and advances or a demand or request for sexual favours or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- (Rupees Fifty Thousand Only).

The Industrial Disputes Act, 1947

The Industrial Disputes Act, 1947(the "ID") provides the procedure for investigation and settlement of industrial disputes. When a dispute exists or is apprehended, the appropriate Government may refer the dispute to a labour court, tribunal or arbitrator, to prevent the occurrence or continuance of the dispute, or a strike or lock-out while a proceeding is pending. The labour courts and tribunals may grant appropriate relief including ordering modification of contracts of employment or reinstatement of workmen.



Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979;

The Inter State Migrant Workers (Regulation of Employment and Conditions of Service) Act, 1979 was enacted by Parliament in the Thirtieth Year of the Republic of India to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith. This Act makes provision for availing with the onsite services of interstate workers by the contractors / establishments to overcome only the temporary shortage of required skilled workers in a state. The purpose of this act is not to encourage interstate migration of workers against the interests of local workers as the principal employers would have to incur more cost in deploying interstate workers.

Industrial Employment (Standing Orders) Act, 1946

The Industrial Employment (Standing Orders) Act, 1946 require employers in industrial establishments formally to define conditions of employment under them and applies to every industrial establishment wherein one hundred or more workmen are employed, or were employed on any day of the preceding twelve months.

Apprentices Act, 1961

The Apprentices Act was enacted in 1961 for imparting training to apprentices i.e. a person who is undergoing apprenticeship training in pursuance of a contract of apprenticeship. Every employer shall make suitable arrangements in his workshop for imparting a course of practical training to every apprentice engaged by him in accordance with the programme approved by the apprenticeship adviser. The central apprenticeship adviser or any other person not below the rank of an assistant apprenticeship adviser shall be given all reasonable facilities for access to each apprentice with a view to test his work and to ensure that the practical training is being imparted in accordance with the approved programme.

C. ENVIRONMENTAL LAWS

The Environment (Protection) Act, 1986 as amended, ("**Environment Protection Act**"), the Water (Prevention and Control of Pollution) Act, 1974, as amended, ("**Water Act**") and the Air (Prevention and Control of Pollution) Act, 1981, ("**Air Act**") provide for the prevention, control and abatement of pollution. Pollution control boards have been constituted in all states in India to exercise the powers and perform the functions provided for under these statutes for the purpose of preventing and controlling pollution. Companies are required to obtain consents of the relevant state pollution control boards for emissions and discharge of effluents into the environment. **The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008 as amended, ("Hazardous Wastes Rules")** impose an obligation on every occupier of an establishment generating hazardous waste to recycle or reprocess or reuse such wastes in a registered recycler or to dispose of such hazardous wastes in an authorized disposal facility. Every person engaged, inter alia, in the generation, processing, treatment, package, storage and destruction of hazardous waste is required to obtain an authorization from the relevant state pollution control board for collecting, recycling, reprocessing, disposing, storing and treating the hazardous waste. 80 The Environmental Impact Assessment Notification dated September 14, 2006 read with notifications dated October 11, 2007, December 1, 2009, April 4, 2011 and January 25, 2012, issued under the Environment Protection Act and the Environment (Protection) Rules, 1986, requires prior environmental clearance of the Ministry of Environment and Forests, GoI and at state level, of the state environment impact assessment authority, if any new project (specified in the notification) is proposed to be undertaken or for expansion and modernization of existing projects beyond certain specified threshold limits. The environment clearance (for commencement of the production operations) is valid for the time period prescribed in the notification.

The Public Liability Insurance Act, 1991 (the "Public Liability Act") imposes liability on the owner or controller of hazardous substances for death or injury to any person (other than a workman) or any damage to property arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the Government by way of a notification. The owner or handler is also required to obtain an insurance policy insuring him against liability under the legislation. The Public Liability Insurance Rules, 1991 mandate that the owner has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. The amount is payable to the insurer.

Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the "Water Cess Act")

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is



available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹ 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

The Noise Pollution (Regulation & Control) Rules 2000 (“Noise Regulation Rules”)

The Noise Regulation Rules regulate noise levels in industrial, commercial and residential zones. The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008

These rules stipulate provisions for proper collection, reception, transport, treatment, storage and disposal of hazardous waste. Any waste, which by virtue of any of its physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics causes danger or is likely to cause danger to health or environment, whether alone or when in contact with other wastes or substances has been defined as “hazardous waste” and includes wastes generated mainly from the processes referred under Schedule-I of the said Rules. In addition, some wastes become hazardous by virtue of concentration limits as well as hazardous characteristics listed under Schedule -II of the said Rules. It also includes the wastes specified in Parts A and B of Schedule-III in respect of import or export of such wastes and other wastes possessing hazardous characteristics specified in Part C of Schedule-III. These rules do not apply to waste-water and exhaust gases as covered under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981) and the rules made thereunder. Every person who is engaged in generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste shall require to obtain an authorization by applying to the State Pollution Control Board in the prescribed form. Such authorization shall be valid for a period of five years and shall be subject to such conditions as may be laid down therein. Every person authorized under these rules shall maintain the record of hazardous wastes handled by him and prepare and submit to the Board, an annual return of the same. The occupier shall take all adequate steps while handling hazardous wastes to (i) contain contaminants and prevent accidents and limit their consequences on human beings and the environment; and (ii) provide persons working on the site with the training, equipment and the information necessary to ensure their safety.

D. TAX LAWS

The Income Tax Act, 1961

The Income Tax Act, 1961 deals with the taxation of individuals, corporate, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act. Filing of returns of Income is compulsory for all assesses. The maintenance of Books of Accounts and relevant supporting documents and registers are mandatory under the Act.

Maharashtra value added tax act, 2002

The Maharashtra Value Added Tax Act, 2002 enacted by the Legislative Assembly of the State of Maharashtra to provide for and consolidate the law relating to levy of value added tax on sale or purchase of goods in the state of Maharashtra and for matters connected therewith and incidental thereto.

The Central Sales Tax Act, 1956

The Central Sales Tax Act, 1956 enacted by Parliament in Seventh Year of Republic of India to formulate principles for determining when a sale or purchase of goods takes place in the course of inter-state trade of commerce or outside a State or in the course of imports into or export from India, to provide for the levy, collection and distribution of taxes on sales of goods in the course of inter-state trade of commerce and to declare certain goods to be of special importance in inter-state or commerce and specify the restrictions and conditions to which state laws imposing taxes on the sale or purchase of such goods of special importance.



Finance Act, 1994 (Service Tax)

Service tax is charged on taxable services as defined in Chapter V of Finance Act, 1994, (as amended from time to time) which requires a service provider of taxable services to collect service tax from a service recipient and pay such tax to the Government. In accordance with Rule 6 of Service tax Rules, the assesses is required to pay Service tax in TR 6 challan by fifth of the month immediately following the month to which it relates. Further under Rule 7(1) of Service Tax Rules, the company is required to file a half yearly return in Form ST 3 by twenty fifth of the month immediately following the half year to which the return relates.

Professional Tax

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional tax is charged as per the List II of the Constitution. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

Approvals from Local Authorities

Setting up of a factory or manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

STATE LAWS GOVERNING LABOUR WELFARE FUNDS

The concept of Labour Welfare Fund has been evolved in order to extend a measure of social assistance to workers in the unorganized sector. Towards this end, separate legislations have been enacted by Parliament to set up five Welfare Fund to be administered by Ministry of Labour. The Government is authorized to constitute the Labour Welfare Fund and all unpaid accumulations owed to the workers shall be paid, at such intervals as may be prescribed, to the State Board, and be credited to the Fund and the Board has to maintain account of the same and settle worker claims.

The Central Excise Act, 1944

In accordance with the Central Excise Act and Central Excise Rules, every person who produces or manufactures any excisable goods is required to get itself registered with the Jurisdictional Deputy or Assistant Commissioner of Central Excise. Hence this Act is applicable to the Company. Further, the provisions of the Central Excise Rules provide that the manufacturer of final products (other than SSI's) shall submit the duty on goods removed from the factory or warehouse during the month by fifth day of following month. Also a Monthly Return in Form ER1 is required to be submitted to the Superintendent of Central Excise within 10 days after the close of the month.

Customs Act, 1962

The provisions of the Customs Act, 1962 and rules made there under are applicable at the time of import of goods i.e. bringing into India from a place outside India or at the time of export of goods i.e. taken out of India to a place outside India. Any Company requiring to import or export any goods is first required to get it registered and obtain an IEC (Importer Exporter Code).

The Goods and Services Tax Act, 2017

Goods and Services Tax (GST) is considered to be the biggest tax reform in India since independence. It will help realise the goal of "One Nation-One Tax-One Market." GST is expected to benefit all the stakeholders – industry, government and consumer.



Goods and Services Tax (GST) is an indirect tax throughout India and was introduced as The Constitution (One Hundred and Twenty Second Amendment) Act 2017, following the passage of Constitution 122nd Amendment Bill. The GST is governed by GST Council and its Chairman is Union Finance Minister of India - Arun Jaitley. This Act has been made applicable with effect from 1st July 2017. With the introduction of GST all central, state level taxes and levies on all goods and services have been subsumed within an integrated tax having two components – central GST and a state GST. Thus there will be a comprehensive and continuous mechanism of tax credits. The Central government passed four sets of GST Acts in the Budget session this year. These were Central GST Act, 2017; Integrated GST Act, 2017; Union Territory GST Act, 2017 and GST (Compensation to States) Act, 2017. The Acts were approved by the Parliament after they were introduced as the part of the Money Bill. Following the passage of GST Acts, the GST council has decided 4 tax rate slabs viz., 5%, 12%, 18% and 28% on supply of various goods and services. India has adopted a dual GST model, meaning that taxation is administered by both the Union and State Governments. Transactions made within a single State will be levied with Central GST (CGST) by the Central Government and State GST (SGST) by the government of that State. For inter-state transactions and imported goods or services, an Integrated GST (IGST) is levied by the Central Government. GST is a consumption-based tax, therefore, taxes are paid to the State where the goods or services are consumed and not the State in which they were produced.

E. INTELLECTUAL PROPERTY LAWS

India has certain laws relating to intellectual property rights such as patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957 trademark protection under the Trade Marks Act, 1999, and design protection under the Designs Act, 2000.

The Trademarks Act, 1999

The Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label, heading and to obtain relief in case of infringement for commercial purposes as a trade description. The Trademarks Act prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

The Designs Act, 2000

This Act protects any visual design of objects that are not purely utilitarian. An industrial design consists of the creation of a shape, configuration or composition of pattern or colour, or combination of pattern and colour in three-dimensional form containing aesthetic value. It provides an exclusive right to apply a design to any article in any class in which the design is registered.

F. FOREIGN INVESTMENT REGULATIONS

The Foreign Trade (Development & Regulation) Act, 1992

The Foreign Trade (Development & Regulation) Act, 1992, provides for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India and for matters connected therewith or incidental thereto.

Foreign Exchange Management Act, 1999 (“the FEMA”), and Rules and Regulations thereunder

As laid down by the FEMA Regulations, no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the automatic route within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer of Issue of Security by a person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India. Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.



Other Laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act, and other applicable statutes imposed by the Centre or the State for its day-to-day operations.



HISTORY AND CERTAIN CORPORATE MATTERS

Brief History and Background

Our Company was originally incorporated on July 04, 1991 as “Sterling Chemicals and Alcohols Private Limited” vide Registration no. 11-062354 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Pune. Further our Company was converted into Public Limited Company and consequently name of company was changed from “Sterling Chemicals and Alcohols Private Limited” to “Sterling Chemicals and Alcohols Limited” vide resolution passed by the Shareholders at the Extra Ordinary General Meeting held on September 27, 2017 and a fresh certificate of incorporation dated October 16, 2017 issued by the Registrar of Companies, Pune.

Our Company was originally promoted by Mr. Jayant Shamrao Arbatti and Mr. Dilip Shamrao Arbatti who were the initial subscribers to the Company’s Memorandum and Articles of Association in the year 1991. Presently Mr. Jayant Shamrao Arbatti and Mrs. Sneha Shamrao Arbatti are the Promoters of the Company.

As on date of this Draft Prospectus, our Company has 7 (Seven) shareholders.

For information on our Company’s profile, activities, services, market, growth, technology, managerial competence, standing with reference to prominent competitors, major suppliers, please refer the sections entitled “Industry Overview”, “Our Business”, “Our Management”, “Financial information of the Company” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 79, 95, 122, 141 and 173 respectively.

Address of Registered Office:

The Registered Office of the Company is situated at GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune-412208, Maharashtra, India

Changes in Registered Office of the Company since incorporation

Except as mentioned below, there has not been any change in our Registered Office since incorporation till date of this Draft Prospectus:

From	To	Date of Change	Reason for Change
B-68-70, Third Floor 15A Bhale Estate, Bombay Pune Road 411003, Maharashtra, India		On Incorporation	--
B-68-70, Third Floor 15A Bhale Estate, Bombay Pune Road 411003, Maharashtra, India	15-A, Bhale Estate, Mumbai-Pune Road, Wakdewadi, Pune-411003, Maharashtra, India	*	For the better administrative convenience
15-A, Bhale Estate, Mumbai-Pune Road, Wakdewadi, Pune-411003, Maharashtra, India	78, Industrial Estate, Newasa Road, Shirampur -413709, Maharashtra, India.	March 11, 2002	For the better administrative convenience
78, Industrial Estate, Newasa Road, Shirampur - 413709, Maharashtra, India.	15-A, Bhale Estate, Mumbai-Pune Road, Wakdewadi, Pune-411003, Maharashtra, India	November 26, 2012	For the better administrative convenience
15-A, Bhale Estate, Mumbai-Pune Road, Wakdewadi, Pune-411003, Maharashtra, India	GAT No. 943/1A/1, Sanaswadi Taluka Shirur, Shirur, Dist. Pune-412208, Maharashtra, India	August 02, 2016	For the better administrative convenience
GAT No. 943/1A/1, Sanaswadi Taluka Shirur, Shirur, Dist. Pune-412208, Maharashtra, India	943/1A/1, Sanaswadi Taluka Shirur, Shirur, Dist. Pune-412208, Maharashtra, India	August 02, 2016	For Correction in address of Registered Office.
943/1A/1, Sanaswadi Taluka Shirur, Shirur, Dist. Pune-412208, Maharashtra, India	GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune, Maharashtra-412208, India	December 02, 2017	For addition in Registered Office

* Form 18 is not available in records of the Company



Our Main Object

The main objects of our Company as set forth in the Memorandum of Association of our Company are as follows:

1. To manufacture, produce, refine, process, formulate, buy, sell, export, import or otherwise deal in Absolute Alcohol used or capable of being used in pharmaceuticals, engineering, electrical, electronic, automobile, aeroplane and shipping industry and trading of any type of chemical required for industrial use or otherwise.

Changes in Memorandum of Association

Except as stated below there has been no change in the Memorandum of Association of our Company since its Incorporation:

S.No.	Particulars	Date of Meeting	Type of Meeting
1.	The Initial Authorized share capital increased from Rs. 5,00,000 (Five Lac) divided into 5,000 (Five Thousand) equity Shares of Rs. 100.00 each and increase to Rs. 50,00,000 (Fifty Lakh) divided into 50,000 (Fifty Thousand) Equity shares of Rs. 100 each.	March 11, 2002	EGM
2.	Increased in Authorized share capital from Rs. 50,00,000 (Fifty Lakh) divided into 50,000 (Fifty Thousand) equity Shares of Rs. 100.00 each to Rs. 1,00,00,000 (One Crore) divided into 1,00,000 (One Lakhs) Equity shares of Rs. 100each.	March01, 2003	EGM
3.	Increased in Authorised share capital from Rs. 1,00,00,000 (One Crore) divided into 1,00,000 (One Lakhs) Equity shares of Rs. 100 each to Rs. 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity shares of Rs. 100 each.	February 02, 2004	EGM
4.	Increased in Authorised share capital from Rs. 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity shares of Rs. 100 each to Rs. 4,00,00,000 (Four Crore) divided into 4,00,000 (Four Lakhs) Equity shares of Rs. 100 each.	March 28, 2014	EGM
5.	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Sterling Chemicals and Alcohols Private Limited to Sterling Chemicals and Alcohols Limited and a fresh Certificate of Incorporation dated October 16, 2017 bearing CIN U24116MH1991PLC062354 was issued by Registrar of Companies, Pune	September 27, 2017	EGM
6.	<p>To Adopt New Set Of Memorandum Of Association containing regulation in conformity with the Companies Act, 2013</p> <p>1) To alter the title of Clause 111(A) & 111(B) with the title prescribed under Schedule I of the Companies Act, 2013 to be read hereinafter as</p> <p>Clause 111 A: The objects to be pursued by the company on its incorporation are:</p> <p>Clause 111 B: Matters which are necessary for furtherance of the objects specified in Clause 111 (A) are:</p> <p>2) To delete the existing Clause 111 C as per the provisions of Companies Act, 2013 and the text hereinafter shall be read as:</p> <p>C. OTHER OBJECTS: - DELETED</p> <p>3) To replace the existing Clause IV with the text prescribed under Schedule I of the Companies Act, 2013 to be read hereinafter as:</p> <p>Clause IV</p> <p>The Liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.</p>	September 27, 2017	EGM



7.	Sub-division of the Equity Shares of the Company the Authorized, Issued, Subscribed and Paid-up Share Capital of Face value of Rs. 100/- (Rupees Hundred Only) each, shall stands sub- divided into 10 (Ten) Equity Shares having face value of Rs. 10/- (Rupees Ten) each.	September 27, 2017	EGM
8.	Increased in Authorized share capital from Rs. 4,00,00,000 (Four Crore) divided into 40,00,000 (Forty Lakhs) Equity shares of Rs. 10 each to Rs. 12,50,00,000 (Twelve Crore Fifty Lac) divided into 1,25,00,000 (One Crore Twenty Five Lac) Equity shares of Rs. 10 each ..	January 10, 2018	EGM

Adopting New Articles of Association of the Company

Our Company has adopted a new set of Articles of Association of the Company, in the Extra-Ordinary General Meeting of the Company dated September 27, 2017.

Key Events and Mile Stones

Year	Key Events / Milestone / Achievements
1991	Incorporation of the Company in the name and style of “Sterling Chemicals and Alcohols Private Limited”
2017	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Sterling Chemicals and Alcohols Private Limited to Sterling Chemicals and Alcohols Limited.

Other Details about our Company

For details of our Company’s activities, products, growth, technology, marketing strategy, competition and our customers, please refer section titled “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operations” and “Basis for Issue Price” on pages 95, 173 and 74 respectively of this Draft Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "Our Management" and "Capital Structure" beginning on pages 122 and 52 of this Draft Prospectus respectively.

Acquisition of Business/Undertakings & Amalgamation

There has been no acquisition of business/undertakings, mergers, amalgamation since incorporation.

Holding Company

As on the date of the Draft Prospectus, our Company is not a subsidiary of any company.

Subsidiary of our Company

Our Company does not have any Subsidiary within the meaning of Section 2 (87) of the Companies Act 2013, as on the date of this Draft Prospectus.

Capital raising (Debt / Equity)

For details in relation to our capital raising activities through equity, please refer to the chapter titled “Capital Structure” beginning on page 52 of the Draft Prospectus. For details of our Company’s debt facilities, please refer section “Statement of Financial Indebtedness” on page 171 of the Draft Prospectus.

Time and Cost overruns in setting up projects

There has been no time / cost overrun in setting up projects by our Company.

Injunction or restraining order

There are no injunctions/ restraining orders that have been passed against the Company.



Revaluation of Assets

Our Company have revalued our assets in year 2001-2002.

Defaults or Rescheduling of borrowings with financial institutions/banks and Conversion of loans into Equity Shares

There have been no defaults or rescheduling of borrowings with any financial institutions/banks as on the date of the Draft Prospectus. Furthermore, except as disclosed in chapter titled “Capital Structure” beginning on Page 52 of this Draft Prospectus, none of the Company's loans have been converted into equity in the past.

Lock-out or strikes

Our Company has, since incorporation, not been involved in any labour disputes or disturbances including strikes and lockouts. As on the date of this draft Prospectus, our employees are not unionized.

Shareholders of our Company:

Our Company has 07(Seven) shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 52 of the Draft Prospectus.

Changes in the Management

For details of change in Management, please see chapter titled “Our Management” on page no 122 of the Draft Prospectus.

Changes in activities of our Company during the last five (5) years

There has been no change in the business activities of our Company during last five (5) years from the date of this Draft Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “Management’s discussion and analysis of financial conditions & results of operations” beginning on page 173 of this Draft Prospectus,

Shareholders Agreements

As on the date of this Draft Prospectus, there are no subsisting shareholders agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same.

Collaboration Agreements

As on the date of this Draft Prospectus, our Company is not a party to any collaboration agreements.

Material Agreement

Our Company has not entered into any material agreement, other than the agreements entered into by it in normal course of its business.

OTHER AGREEMENTS

Non-Compete Agreement

Our Company has not entered into any Non-compete Agreement as on the date of filing of this Draft Prospectus.

Joint Venture Agreement

Except the agreements entered in the ordinary course of business carried on or intended to be carried on by us, we have not entered into any other Joint Venture agreement.



Strategic Partners

Except as mentioned in this Draft Prospectus, Our Company does not have any strategic partners as on the date of this Draft Prospectus.

Financial Partners

Our Company does not have any financial partners as on the date of this Draft Prospectus.

Corporate Profile of our Company

For details on the description of our Company's activities, the growth of our Company, please see "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operations" and "Basis of Issue Price" on pages 95, 173 and 74 of this Draft Prospectus.



OUR MANAGEMENT

Board of Directors: As per the Articles of Association, our Company is required to have not less than Three (3) Directors and not more than 15 (Fifteen) Directors. Currently, our Company has Five (5) Directors and out of which Three (3) are Non-Executive Independent Directors.

The following table sets forth the details regarding our Board of Directors of our Company as on the date of filing of this Draft Prospectus:

Sr. No.	Name, Father's, Age, Designation, Address, Experience, Occupation, Qualifications, Nationality & DIN	Date of Appointment	No. of Equity Shares held & % of Share holding (Pre Issue)	Other Directorships
1.	Mr. Jayant Shamrao Arbatti Father Name: Shamrao Venkatrao Arbatti Age: 52 Years Designation: Chairman and Managing Director Address: 2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar Pune-411052, Maharashtra, India Experience: 30 Years Occupation: Business Qualifications: Bachelor of Commerce Nationality: Indian DIN: 00810089	Originally appointed on the Board as Director w.e.f. 04.07.1991 Further re-appointed as chairman and Managing Director in Extra Ordinary General Meeting dated January 10, 2018 for period of five years.	46,28,925 Equity Shares 54.42% of Pre- Issue Paid up capital	Companies: 1. Sterling Resources Private Limited
2.	Mr. Sneha Jayant Arbatti Father Name: Sudhkar Gangadhar Wangikar Age: 48 Years Designation: Whole Time Director Address: 2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar Pune - 411052, Maharashtra, India Experience: 24 Years Occupation: Business Qualifications: Higher Secondary Nationality: Indian DIN: 03064353	Originally appointed on the Board as Director w.e.f May 13, 2013 as additional Director and further regularized on dated September 30, 2013 Further change in designation as Whole-time Director in Extra Ordinary General Meeting dated January 10, 2018 for period of five years.	38,75,950 Equity Shares 45.57% of Pre- Issue Paid up capital	Companies: 1. Sterling Resources Private Limited
3.	Mr. Uttam Manohar Kale Father Name: Manohar Subhroo Kale Age: 71 Years Designation: Non - Executive Independent Director Address: Plot 243, Renuka Indraprastha Vitthalnagar Hadapsar Pune-411028, Maharashtra, India Experience: 44 Years Occupation: Consultant Qualifications: Bachelor of Science Nationality: Indian DIN: 03405387	Originally appointed on the Board as Non-Executive Director w.e.f September 18, 2017 Further change in designation as Independent Director in Extra Ordinary General Meeting dated January 10, 2018 for period of five years.	Nil	



4.	Mr. Dhananjay Sanatkumar Vaidya Father Name: Sanatkumar Gulaprai Vaidya Age: 62 Years Designation: Non - Executive Independent Director Address: 202/A-wing, Arihant Darshan Near Saidham Temple Asha Nagar, Kandivali (E), Mumbai-400101, Maharashtra, India Experience: 39 Years Occupation: Consultant Qualifications: Bachelor of Engineering Chemical Nationality: Indian DIN: 02123563	Originally appointed on the Board as Non-Executive Independent Director w.e.f January 10, 2018.	Nil	Nil
5.	Mr. Bijay Kumar Lenka Father Name: Dibakar Lenka Age: 50 Years Designation: Non - Executive Independent Director Address: Flat No. 702/M4, Hills and Dales Undri Pune - 411060, Maharashtra, India Experience: 21 Years Occupation: Consultant Qualifications: CA, CS & B.Com Nationality: Indian DIN: 02127873	Originally appointed on the Board as Non-Executive Independent Director w.e.f January 10, 2018.	Nil	Companies:- 1. Happy Brick Building Private Limited 2. RSB Team Transmission Private Limited

BRIEF PROFILE OF OUR DIRECTORS

1. Mr. Jayant Shamrao Arbatti, Chairman and Managing Director

Mr. Jayant Shamrao Arbatti aged 52 years, is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Commerce. He was appointed on the Board on July 04, 1991 and further designated as the Chairman and Managing Director of the Company on January 10, 2018 for a period of 5 years. He is actively engaged in managing the company since his appointed as Director. He has more than 30 years of experience in the industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

2. Mrs. Sneha Jayant Arbatti, Whole-time Director

Mrs. Sneha Jayant Arbatti aged 48 years, is the Whole Time Director of our Company. She holds a degree of Higher Secondary. She was originally appointed on the Board May 13, 2013 as additional Director and further regularized on dated September 30, 2013 and further designated as the Whole Time Director of the Company on January 10, 2018 for a period of 5 years. She is entrusted with the responsibility to look after the administration of our Company. She is having 24 years of experience in the industry.

3. Mr. Uttam Manohar Kale, Non-Executive Independent Director

Mr. Uttam Manohar Kale aged 71 years, is the Non-Executive Independent Director of our Company. He holds bachelor degree of Science. He also hold have the Post Graduate Degree in Industrial Fermentation and Alcohol Technology from National Sugar Institute Kanpur. He has experience of 44 years in Alcohol and Alcohol based chemicals, Power Alcohol (gasohol) blending of quality liquors and efficient treatment processes (E.T.P). He worked as Senior Chemist., Chief Chemist, Production Manager, Technical Executive, Head of Alcohol Technical Department and Consultant in Indian Companies as well as in abroad. His vision to lead the business helps



the company to lead in the growth of business. He was originally appointed on the Board on September 18, 2017 and further designated as the Independent Director of the Company on January 10, 2018 for a period of 5 years.

4. Mr. Dhananjay Sanatkumar Vaidya, Non-Executive Independent Director

Mr. Dhananjay Sanatkumar Vaidya aged 62 years, is the Non-Executive Independent Director of our Company. He is a Qualified Chemical Engineer and having experience of 39 years in the Industry. He has a vast experience in manufacturing Chemicals/ Bulk Drug (API & Intermediates). He had various senior position in reputed Companies like Ipca Laboratories, Dr. Reddy, Amri India Limited, Arian Orgachem Pvt. Ltd., Wyeth Limited, Cynamide India Limited etc. He is currently providing the Technical Consultancy like GMP (Audits, Training, Documentation and Implementation), EHS (safety systems, effluent treatment audit Trainings) and Technical (Details Engineering, Process Engineering/ Trouble Shooting/ Effective Engineering Practices) to Companies and Consulting firms. He was originally as Non-Executive Independent Director of the Company on January 10, 2018 for a period of 5 years.

5. Mr. Bijay Kumar Lenka, Non-Executive Independent Director

Mr. Bijay Kumar Lenka aged 50 years, is the Non-Executive Independent Director of our Company. He holds degree of Chartered Accountant, Company Secretary and Bachelor of Commerce. He has an experience of 21 years as a Financial Professional in Indian and Multi-National Companies. He worked with a German MNC as Head of Finance and Company Secretary. He is currently acting as Managing Director in RSB Europe BV, Netherlands (SPV) also having directorship in two other Companies. His vision to lead the business in ethical way helps the company to lead in the growth of Corporate Governance. He was originally appointed as Non-Executive Independent Director of the Company on January 10, 2018 for a period of 5 years.

Confirmations

- None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.
- None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.
- None of the above mentioned Directors are on the RBI list of willful defaulters as on the date of filling of this Draft Prospectus.
- Further, our Company, our Promoters, persons forming part of our Promoter Group, Directors and person in control of our Company has/ have not been not debarred from accessing the capital market by SEBI or any other Regulatory Authority.

Nature of any family relationship between any of our Directors:

The present Directors are related to each other within the meaning of section 2 (77) of the Companies Act, 2013, details of which are as follows:-

Sr. No.	Name of Director	Name of Director and Relation with Director
1.	Mr. Jayant Shamrao Arbatti	Mrs. Sneha Jayant Arbatti (Wife)
2.	Mrs. Sneha Jayant Arbatti	Mr. Jayant Shamrao Arbatti (Husband)



Arrangements with major Shareholders, Customers, Suppliers or Others:

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

Service Contracts:

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

Details of Borrowing Powers of Directors

Our Company has passed a Special Resolution in the Extra Ordinary General Meeting of the members held on January 10, 2018 authorizing the Board of Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of Rs. 100 Crore (Rupees Hundred Crore only).

Compensation of our Managing Director and Whole Time Directors

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

The following compensation has been approved for Managing Director and Whole Time Directors:

Particulars	Mr. Jayant Shamrao Arbatti	Mrs. Sneha Jayant Arbatti
Re-Appointment/Change in Designation	EGM Resolution dated January 10, 2018	EGM Resolution dated January 10, 2018
Designation	Chairman and Managing Director	Whole-time Director
Term of Appointment	5 years Not liable to Retire by Rotation	5 years liable to Retire by Rotation
Remuneration	Upto Rs. 42,00,000 p.a./-	Upto Rs. 12,00,000 p.a./-
Remuneration paid for Year 2016-17	Rs. 36,00,000	Rs. 9,00,000/-

Bonus or Profit Sharing Plan for our Directors

We have no bonus or profit sharing plan for our Directors.

Sitting Fee

The Articles of Association of our Company provides that payment of sitting fees to Directors (other than Managing Director & Whole- time Directors) for attending a meeting of the Board or a Committee thereof shall be decided by the Board of Directors from time to time within the applicable maximum limits. Our Board of Directors has resolved in their meeting dated January 29, 2018 for payment to all Non-executive Independent Directors for attending each such meeting of the Board or Committee thereof.

SHAREHOLDING OF OUR DIRECTORS IN OUR COMPANY

Sr. No.	Name of Director	No. of Shares held	Holding in %
1.	Mr. Jayant Shamrao Arbatti	46,28,925	54.42%
2.	Mrs. Sneha Jayant Arbatti	38,75,950	45.57%
3.	Mr. Uttam Manohar Kale	Nil	Nil
4.	Mr. Dhananjay Sanatkumar Vaidya	Nil	Nil
5.	Mr. Bijay Kumar Lenka	Nil	Nil



None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Draft Prospectus.

We do not have any subsidiary and associate company as defined under Section 2(87) & 2(6) of the Companies Act, 2013.

Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

INTEREST OF DIRECTORS

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, please refer- “Compensation of our Managing Director a Whole time Directors” above, beginning on page 122 of this Draft Prospectus

Our Directors may also be regarded as interested their shareholding and dividend payable thereon, if any, Our Directors are also interested to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section “Our Management” or the section titled “Financial information of the Company - Related Party Transactions” beginning on page 122 and 165 respectively of this Draft Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Director	Interest
1.	Mr. Jayant Shamrao Arbatti & Mrs. Sneha Jayant Arbatti	Our Directors has extended personal guarantee for loan from Janata Sahakari Bank Ltd. amounting Rs. 1550.00 Lacs.

Interest in the property of Our Company

Except as disclosed above and in the chapters titled “Our Business and “Financial Information of the Company – Related Party Transactions “on page no. 95 and 165 respectively of this Draft Prospectus, our Directors do not have any interest in any property acquired two years prior to the date of this Draft Prospectus.

CHANGES IN BOARD OF DIRECTORS IN LAST 3 YEARS

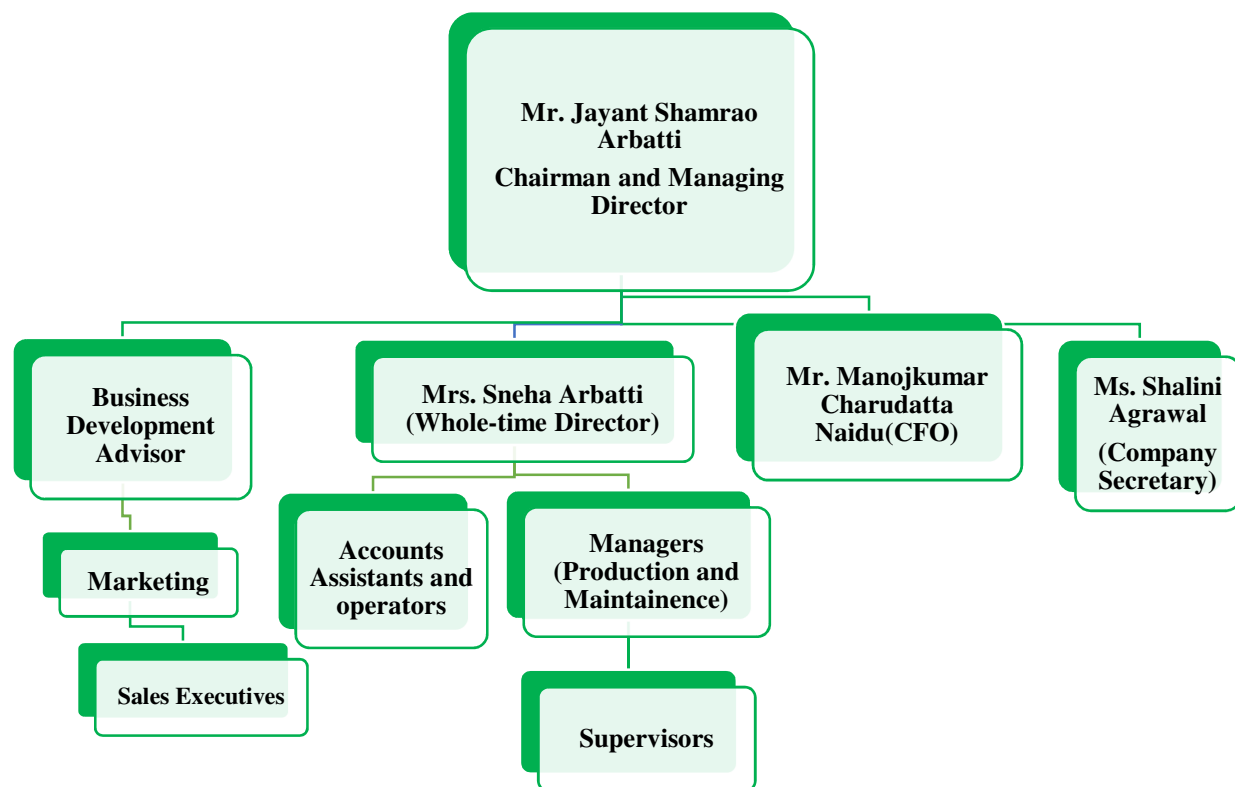
Sr. No.	Name	Date & Nature of Change	Reasons for Change
1.	Mr. Jayant Shamrao Arbatti	Re-designate as Chairman cum Managing Director vide Board Meeting dated December 18, 2017 and vide EGM dated January 10, 2018	As per the requirement of Section 196 of the Companies Act, 2013
2.	Mrs. Sneha Jayant Arbatti	Re-designate as Whole Time Director liable to retire by rotation vide Board Meeting dated December 18, 2017 and vide EGM dated January 10, 2018	As per the requirement of Section 196 of the Companies Act, 2013



3.	Mr. Uttam Manohar Kale	Appointed as a Non-Executive Director liable to retire by rotation vide AGM dated September 18, 2017 further appointed as an Independent Director vide Extra Ordinary General Meeting dated January 10, 2018	To ensure better Corporate Governance
4.	Mr. Dhananjay Sanatkumar Vaidya	Appointed as Non-Executive & Independent Director vide Extra Ordinary General Meeting dated January 10, 2018	To ensure better Corporate Governance
5.	Mr. Bijay Kumar Lenka	Appointed as Non-Executive & Independent Director vide Extra Ordinary General Meeting dated January 10, 2018	To ensure better Corporate Governance
6.	Mr. Ajit Shamrao Arbatti	Resignation from Board vide Board Meeting dated October 05, 2016	Due to Personal Reasons

MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:-



COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of BSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.



Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

Our Board of Directors consist of Five (05) directors of which Three (03) are Non-Executive Independent Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes more than 50% of the Board of Directors and one women Director, which is in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 2015. Our Company has constituted the following committees:

a. Audit Committee

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated January 29 2018, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company’s Equity shares on SME platform of BSE, The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Bijay Kumar Lenka	Chairman	Non-Executive-Independent Director
Mr. Dhananjay Sanatkumar Vaidya	Member	Non-Executive-Independent Director
Mr. Jayant Shamrao Arbatti	Member	Chairman & Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:

A. Tenure: The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

B. Meetings of the Committee: The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

C. Role and Powers: The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

- Oversight of the listed entity’s financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
- Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
 - matters required to be included in the director’s responsibility statement to be included in the board’s report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) in the draft audit report;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;



7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;
22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- f) Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

b. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated January 29 2018. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Uttam Manohar Kale	Chairman	Non-Executive-Independent Director
Mr. Dhananjay Sanatkumar Vaidya	Member	Non-Executive-Independent Director
Mrs. Sneha Jayant Arbatti	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:



- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
- Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
 - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
 - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
 - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.
 - Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
 - Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
 - Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
 - Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated January 29 2018. The Nomination and Remuneration Committee comprise the following:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Uttam Manohar Kale	Chairman	Non-Executive-Independent Director
Mr. Dhananjay Sanatkumar Vaidya	Member	Non-Executive-Independent Director
Mr. Bijay Kumar Lenka	Member	Non-Executive-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

A. Tenure: The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

B. Meetings: The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders queries; however, it shall be up to the chairperson to decide who shall answer the queries.

C. Role of Terms of Reference:

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend



- to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- c) Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- d) Devising a policy on diversity of board of directors;
- e) Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f) Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- g) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- h) Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- i) Decide the amount of Commission payable to the Whole time Directors;
- j) Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- k) To formulate and administer the Employee Stock Option Scheme.

POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of BSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on January 29, 2018 have approved and adopted the policy on insider trading in view of the proposed public Issue. Ms. Shalini Agrawal, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of BSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of BSE. The Board of Directors at their meeting held on January 29, 2018 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

Our Key Managerial Personnel

Our Company is supported by a well-laid team having good exposure to various operational aspects of our line of business. A brief about the Key Managerial Personnel of our Company is given below:

Name, Designation & Educational Qualification	Age (Year)	Date of joining as KMP	Compensation paid for the F.Y ended 2017 (in RsLacs)	Over all experience (in years)	Previous employment
Name: Mr. Jayant Shamrao Arbatti Designation: Chairman and Managing Director Qualification: Bachelor of Commerce	52	Chairman and Managing Director w.e.f January 10, 2018	36.00	30	--
Name: Mrs. Sneha Jayant Arbatti Designation: Whole time Director Qualification: Higher Secondary	48	Whole time Director w.e.f January 10, 2018	9.00	24	--
Name: Ms. Shalini Agrawal Designation: Company Secretary & Compliance Officer Qualification: Company Secretary	24	Appointed on January 10, 2018	--	0.10	Key Legal Advisors LLP



Name: Mr. Manojkumar Charudatta Naidu Designation: Chief Financial Officer Qualification: MBA	46	Appointed CFO on January 10, 2018	6.39	22	Self Employed
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BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**1. Mr. Jayant Shamrao Arbatti, Chairman and Managing Director**

Mr. Jayant Shamrao Arbatti aged 52 years, is Chairman and Managing Director and also the Promoter of our Company. He holds a degree of Bachelor of Commerce. He was appointed on the Board on July 04, 1991 and further designated as the Chairman and Managing Director of the Company on January 10, 2018 for a period of 5 years. He is actively engaged in managing the company since his appointed as Director. He has more than 30 years of experience in the industry. He has been instrumental in taking major policy decision of the Company. He is playing vital role in formulating business strategies and effective implementation of the same. He is responsible for the expansion and overall management of the business of our Company. His leadership abilities have been instrumental in leading the core team of our Company.

2. Mrs. Sneha Jayant Arbatti, Whole-time Director

Mrs. Sneha Jayant Arbatti aged 48 years, is the Whole Time Director of our Company. She holds a degree of Higher Secondary. She was originally appointed on the Board May 13, 2013 as additional Director and further regularized on dated September 30, 2013 and further designated as the Whole Time Director of the Company on January 10, 2018 for a period of 5 years. She is entrusted with the responsibility to look after the administration of our Company. She is having 24 years of experience in the industry.

3. Ms. Shalini Agrawal , Company Secretary & Compliance Officer

Ms. Shalini Agrawal is Company Secretary and Compliance officer of our Company. She holds a Company Secretary degree from Institute of Company Secretaries of India. She has an overall experience of 10 Months. She looks after the secretarial matters of our Company. She joined our Company on January 10, 2018

4. Mr. Manojkumar Charudatta Naidu, Chief Financial Officer

Mr. Manojkumar Charudatta Naidu aged 46 years, is the Chief Financial Officer of our Company. He holds a MBA Degree from Indian Institute of Business Management. He assisted in managing the financial matters of the company. He has been appointed as the Chief Financial Officer of the Company with effect from January 10, 2018. He is young and dynamic person, having 22 years' experience and he is presently looking into the financial and technical matters of the Company.

RELATIONSHIP BETWEEN KEY MANAGERIAL PERSONNEL

Sr. No.	Name of Director	Name of Director and Relation with Director
1.	Mr. Jayant Shamrao Arbatti	Mrs. Sneha Jayant Arbatti (Wife)
2.	Mrs. Sneha Jayant Arbatti	Mr. Jayant Shamrao Arbatti (Husband)

Except as disclosed above, there is no relationship between our Key Managerial Personnel's.

We confirm that:

- All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- None of our KMPs except Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti are also part of the Board of Directors.
- In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the period ended December 31, 2017.
- Except for the terms set forth in the appointment Letters the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.



- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under:

Sr. No.	Name of Key Managerial Person	No. of Shares held	Holding in %
1.	Mr. Jayant Shamrao Arbatti	46,28,925	54.42%
2.	Mrs. Sneha Jayant Arbatti	38,75,950	45.57%

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our Company belongs.

Payment of Benefits to Officers of our Company (non-salary related)

Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super annuation, ex-gratia/rewards.

Changes in the Key managerial Personnel in last three years:

There have been no changes in the Key Managerial Personnel of our Company during the last three year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/Cessation/Promotion	Reasons
1.	Mr. Jayant Shamrao Arbatti	Chairman & Managing Director	January 10, 2018	Change in Designation
2.	Mrs. Sneha Jayant Arbatti	Whole Time Director	January 10, 2018	Change in Designation
3.	Ms. Shalini Agrawal	Company Secretary	January 10, 2018	Appointment
4.	Mr. Manojkumar Charudatta Naidu	Chief Financial Officer	January 10, 2018	Appointment

INTEREST OF KEY MANAGERIAL PERSONNEL IN OUR COMPANY

Apart from shares held in the Company, and to the extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company, none of our Key managerial personal are interested in our Company, other than as mentioned below:

Sr. No.	Director	Interest
1.	Mr. Jayant Shamrao Arbatti & Mrs. Sneha Jayant Arbatti	Our KMP's has extended personal guarantee for loan from Janata Sahakari Bank Ltd. amounting Rs. 1550.00 Lacs.

Except as provided in this Draft Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Draft Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to "Annexure R Statement of Related Party Transaction on page no 165 and Personal Guarantee towards Financial facilities of our Company please refer to "Statement of Financial Indebtedness" on page no 171 of the Draft Prospectus.

OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL

Except as stated in this Draft Prospectus, there are no other benefits payable to our Key Managerial Personnel.



EMPLOYEES

The details about our employees appear under the Paragraph titled —Human Resource in Chapter Titled —Our Business beginning on page 95 of this Draft Prospectus.





OUR PROMOTERS AND PROMOTER GROUP

Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti are the Promoters of our Company.

As on the date of this Draft Prospectus, Our Promoters holds 46,28,925 & 38,75,950 Equity Shares which in aggregate, constitutes 99.99% of the issued and paid-up Equity Share capital of our Company. Our Promoter and Promoter Group will continue to hold the majority of our post- Issue paid-up equity share capital of our Company.

Details of our Promoters:-

	Mr. Jayant Shamrao Arbatti, Chairman & Managing Director	
	Qualification	Bachelor of Commerce
	Age	52 Years
	Address	2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar Pune-411052, Maharashtra, India
	Experience	30 years
	Occupation	Business
	Permanent Account Number	ABFPA7502D
	Passport Number	Z2438417
	Name of Bank & Bank Account Details	The Cosmos Co-op. Bank Limited Account No. - 0270501044805
	Driving License Number	--
	Aadhar Card Number	587845810776
	No. of Equity Shares held in SACL [% of Shareholding (Pre Issue)]	46,28,925 Equity Shares of ₹10/- each 54.42%
	DIN	00810089
	Other Interests	Directorships in other Companies: 1. Sterling Krishi Resources Private Limited LLP:Nil Partnership Firms:- Snehjyot Corporation & Aakar Developers Proprietorship:-Nil HUF:- Nil Trust:-Nil
	Mrs. Sneha Jayant Arbatti, Whole Time Director	
	Qualification	Higher Secondary
	Age	48 Years
	Address	2, Aishwarya Apts, Plot No-59, United Western Bank, HSC SOC, Karve Nagar Pune-411052, Maharashtra, India
	Experience	24 years
	Occupation	Business
	Permanent Account Number	ATQPA4669Q
	Passport Number	K4127264
	Name of Bank & Bank Account Details	The Cosmos Co-op. Bank Limited, Account No. – 009050101342
	Driving License Number	Nil
	Aadhar Card Number	295722541995
	No. of Equity Shares held in SACL [% of Shareholding (Pre Issue)]	38,75,950 Equity Shares of ₹ 10 each; 45.57% of Pre- Issue Paid up capital
	DIN	03064353



Other Interests	Directorships in other Companies: 1. Sterling Krishi Resources Private Limited LLP: Nil Partnership Firms:- Snehjyot Corporation Proprietorship:- Nil HUF:- Nil Trust:- Nil
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Declaration

We confirm that the Permanent Account Number, Bank Account Number and Passport Number of the Promoter have been submitted to BSE at the time of filing of Draft Prospectus with them.

Present Promoters of Our Company are Mr. Jayant Shamrao Arbatti. and Mrs. Sneha Jayant Arbatti However the original subscribers to the MoA of Our Company was Mr. Jayant Shamrao Arbatti, and Mr. Dilip Shamrao Arbatti. For details of the shareholding acquired by the current promoters of our Company refer the capital buildup of our Promoter under chapter “Capital Structure” beginning on page no 52 of the draft Prospectus.

Undertaking/ Confirmations

None of our Promoter or Promoter Group or Group Companies or person in control of our Company has been:

- prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoter, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoter, the promoter group members nor our Group Company have been declared as a willful defaulter by the RBI or any other government authority nor there are any violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

Common Pursuits/ Conflict of Interest

Our Group Companies are not engaged in similar line of business as on date of this Draft Prospectus. For further details of our Group Companies refer to Section titled “Group Company” on page 139 of the Draft Prospectus.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

Interest in promotion of Our Company

The Promoters is interested to the extent of their shareholding in the Company, and any dividend and distributions which may be made by the Company in future. The related party transactions are disclosed in “Financial Information of the Company” and “Our Management – Interest of Directors” and “Our Management – Interest of Key Managerial Personnel” on pages 141 & 122 of this Draft Prospectus, respectively.

Interest in the property of Our Company

Except as mentioned in this Draft Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us till date of filing the Prospectus with ROC.



Other Interest of Promoter

Our Promoters Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti are interested to the extent of their shareholding and shareholding of their relatives in our Company. Our Promoter Mr. Jayant Shamrao Arbatti who is also the Chairman & Managing Director, and his wife Mrs. Sneha Jayant Arbatti who is Whole Time Director, of our Company may be deemed to be interested to the extent of his remuneration and sitting fees, as per the terms of his appointment and reimbursement of expenses payable to him. Our Promoters may also be deemed interested to the extent of any unsecured loan given/taken by them to/from our Company.

Further except as provided hereunder, our promoters are not interested in our Company in any manner:

Sr. No.	Promoters	Interest
1.	Mr. Jayant Shamrao Arbatti & Mrs. Sneha Jayant Arbatti	Our Promoters has extended personal guarantee for loan from Janata Sahakari Bank Ltd. amounting Rs. 1550.00 Lacs.

For transaction in respect of loans and other monetary transaction entered in past please refer Annexure R on “Related Party Transactions” on page 165 forming part of “Financial Information of the Company” of this Draft Prospectus.

Except as stated otherwise in this Draft Prospectus, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Draft Prospectus or proposes to enter into any such contract in which our Promoter are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them.

Experience of Promoters in the line of business

Our Promoters Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti are in the business of chemicals manufacturing for about thirty years and twenty four years respectively. The company shall also endeavor to ensure that relevant professional help is sought as and when required in the future.

Related Party Transactions

For the transactions with our Promoter Group entities please refer to section titled “Annexure - R” Related Party Transactions” on page 165 of this Draft Prospectus.

Except as stated in “Annexure - R” Related Party Transactions” beginning on page 165 of the Draft Prospectus, and as stated therein, our Promoter or any of the Promoter Group Entities do not have any other interest in our business.

Payment or Benefit to Promoter of Our Company

For details of payments or benefits paid to our Promoter, please refer to the chapter titled “Our Management” beginning on page 122 of this Draft Prospectus. Also refer Annexure R on “Related Party Transactions” on page 165 forming part of “Financial Information of the Company” of this Draft Prospectus.

Companies / Firms from which the Promoter have disassociated themselves in the last (3) three years

Except in stated below our Promoters have not disassociated themselves from any other Companies, Firms or other entities during the last three years preceding the date of this Draft Prospectus:-

S.No.	Name of Promoters	Description
1.	Mr. Jayant Shamrao Arbatti	Disassociation from Sterling Township Private Limited due to striking off from the Registrar of Companies
2.	Mrs. Sneha Jayant Arbatti	Disassociation from Sterling Township Private Limited due to striking off from the Registrar of Companies

Other ventures of our Promoter



Save and except as disclosed in this section titled “Our Promoter and Promoter Group” and “Our Group Company” beginning on page 135 & 139 respectively of this Draft Prospectus, there are no ventures promoted by our Promoter in which they have any business interests/ other interests as on date of this Draft Prospectus.

Litigation details pertaining to our Promoter

For details on litigations and disputes pending against the Promoter and defaults made by the Promoter please refer to the section titled “Outstanding Litigations and Material Developments” beginning on page 187 of this Draft Prospectus.

OUR PROMOTER GROUP

In addition to the Promoter named above, the following natural persons are part of our Promoter Group:

1. Natural Persons who are part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoter), other than the Promoters, are as follows:

Relationship	Mr. Jayant Shamrao Aarbatti	Mrs. Sneha Jayant Arbatti
Father	Shamrao Venkatrao Arbatti	Sudhakar Gangadhar Wangikar
Mother	Sindhu Shamrao Arbatti	Sarojini Sudhakar Wangikar
Spouse	Sneha Jayant Arbatti	Jayant Shamrao Aarbatti
Brother	Ajit Arbatti, Dr. Dilip Arbatti	--
Sister	Hemlata Kulkarni	Swati Rajan Samb, Dhanshree Sanjay Gungurade
Son	--	--
Daughter	--	--
Spouse's Father	Sudhakar Gangadhar Wangikar	Shamrao Venkatrao Arbatti
Spouse's Mother	Sarojini Sudhakar Wangikar	Sindhu Shamrao Arbatti
Spouse's Brother	--	Ajit Arbatti, Dr. Dilip Arbatti
Spouse's Sister	Swati Rajan Samb, Dhanshree Sanjay Gungurade	Hemlata Kulkarni

2. Corporate Entities or Firms forming part of the Promoter Group

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

Nature of Relationship	Entity
Any Body corporate in which ten percent or more of the equity share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	<u>Companies:</u> <ol style="list-style-type: none"> 1. Sterling Krishi Resources Private Limited 2. Precious Alco and Petro India Private Limited 3. Swastik Tungsten Private Limited 4. Swasteek Chemicals and Rare Metals Private Limited <u>LLP: NIL</u>
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	Nil
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	<u>Proprietorship:- Nil</u> <u>Partnership Firms:-</u> <ol style="list-style-type: none"> 1. Snehdyot Corporation 2. Aakar Developers <u>HUF:-NIL</u> <u>Trust:- NIL</u>



OUR GROUP COMPANIES

As per the SEBI ICDR Regulations, 2009 for the purpose of identification of Group Companies, our Company has considered companies covered under the Accounting Standard 18 (including Associate Companies) as per Restated Financial Statements. Further, pursuant to a resolution of our Board dated January 29, 2018 for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if Such company forms part of the Promoter Group of our Company in terms of Regulation 2(1)(z)(b) of the SEBI Regulations and Companies who entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10% of total revenue of the company as per Restated Financial Statements.

No companies was covered under the material policy adopted by our Board, hence no Group Companies is disclosed as a Group Company of our Company.



DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon recommendation by the Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial year except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend is recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

However, Our Company has not declared any dividend on the Equity Shares in the past five financial years and our dividend history is not necessarily indicative of our dividend amounts, if any, or our dividend policy, in the future. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements.



SECTION V – FINANCIAL INFORMATION OF THE COMPANY

RESTATED FINANCIAL STATEMENTS

Independent Auditors' Report

(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)

To,
The Board of Directors,
Sterling Chemicals and Alcohols Limited
GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,
Taluka Shirur, Pune- 412208, Maharashtra - India.

Dear Sirs,

1. We have examined the attached Restated Financial Information of **M/s. Sterling Chemicals and Alcohols Limited** (hereinafter referred as “the Company”), which comprise of the Restated Summary Statement of Assets and Liabilities as at **December 31, 2017 and March 31st, 2017, 2016, 2015, 2014 and 2013**, The Restated Summary Statements of Profits and Loss and the Restated Summary Statement of Cash Flows for the **period ended on December 31, 2017 and financial year ended on March 31st, 2017, 2016, 2015, 2014 and 2013** and the Summary of Significant Accounting Policies as approved by the Board of Directors of the Company prepared in terms of the requirements of :
 - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (“ the Act”), read with the applicable provisions within Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (“the Rules”);
 - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”).

The preparation of the Restated Financial Information is the responsibility of the Management of the Company. The Management’s responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and ICDR Regulations.

2. We have examined such Restated Financial Information taking into consideration:
 - (a) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform of BSE (“IPO” or “SME IPO”); and
 - (b) The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI (“The Guidance Note”).
3. These Restated Financial information of the Company have been compiled by the management from the Audited Financial Statements of the Company for the Stub Period ended on December 31, 2017 and financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 & March 31, 2013, which have been approved by the Board of Directors.
4. The Statutory Audit of the Company are for the stub period ended on December 31, 2017 which have been conducted by S J KHOLLAM & CO., Chartered Accountants and financial year ended on March 31, 2017, 2016, 2015, 2014 & 2013 which have been conducted by M/s S.K. Naredi & Co., Chartered Accountants and accordingly, reliance has been placed on the financial information examined by them. We have examined the books of account underlying those financial statements and other records of the Company, to the extent considered necessary by us, for the presentation of the Restated Summary Statements under the requirements of Schedule III of the Act.



5. Based on our examination, we report that:

- a) The **“Restated Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company for the Period ended as at December 31, 2017 and financial year ended as at March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014, and March 31, 2013 have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- b) The **“Restated Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company for the Period ended as on December 31, 2017 and financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- c) The **“Restated Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company for the Period ended as on December 31, 2017 and financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the Period ended on December 31, 2017 & financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, we are of the opinion that **“Restated Financial Statements”** or **“Restated Summary Statements”** have been made after incorporating:

- (i) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
 - (ii) There are no Extra-ordinary items except as shown in the Restated Profit & Loss Statement of that need to be disclosed separately in the Restated Summary Statements.
 - (iii) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
 - (iv) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.
 - (v) There are no revaluation reserves in the **“Restated Financial Statements”**.
 - (vi) The Company has not paid dividend on its equity shares during the reporting period.
6. In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, **C.P. Jaria & Co.**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid **Certificate No. 008586 dated 23/12/2015** issued by the “Peer Review Board” of the ICAI.

7. Other Financial Information:

- a) We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Period ended on December 31, 2017, financial year ended on March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B, B(A) and B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C



Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans And Advances	Annexure-I
Restated Statement of Inventory	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans And Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Related party transactions	Annexure-R
Restated Statement of Capitalization	Annexure-S
Restated Statement of Tax shelter	Annexure-T
Restated Statement of Contingent liabilities	Annexure-U
Restated Statement of Other Expenses	Annexure -V

- b) The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under the Companies Act, 1956 of India read with the General Circular 15/ 2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
- c) We have carried out Re Audit of the financial statements for the period ended on December 31st, 2017 & for the financial year ended on March 31st, 2017 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to December 31, 2017. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to December 31, 2017.
- d) The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
- e) In our opinion, the above financial information contained in Annexure I to Annexure III and Annexure A to V of this report read along with the Restated Statement of Significant Accounting Policies and related Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with Section 26 of the Act, read with the applicable provisions within Rule - 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectuses and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.
- f) Consequently, the financial information has been prepared after making such regroupings and retrospective adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
- g) The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.



- h) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- i) Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or distributed for any other purpose without our prior consent in writing.

For C.P. Jaria & Co.
Chartered Accountants
FRN: 104058W
PRC No. 008586

P.K. Jain
Partner
M. No. 112020

Place: Surat
Date: 31/01/2018



ANNEXURE – I

STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Rs. in Lacs)

PARTICULARS		As at Dec-17	AS AT 31ST MARCH				
			2017	2016	2015	2014	2013
A)	EQUITY AND LIABILITIES						
1.	Shareholders' Funds						
(a)	Share Capital	340.25	340.25	340.25	340.25	260.25	173.00
(b)	Reserves & Surplus	700.16	602.30	450.84	396.32	264.43	152.75
		1,040.41	942.54	791.09	736.57	524.67	325.75
2.	Non-Current Liabilities						
(a)	Long Term Borrowings	643.30	685.83	665.67	214.42	341.20	751.45
(b)	Deferred Tax Liabilities (Net)	33.78	31.55	3.21	5.18	9.34	4.68
(c)	Long Term Provisions	22.81	21.88	19.20	14.63	12.34	13.92
		699.89	739.26	688.08	234.23	362.88	770.05
3.	Current Liabilities						
(a)	Short Term Borrowings	2,047.35	1,559.92	1,376.36	1,346.30	379.43	388.98
(b)	Trade Payables	198.80	12.42	11.18	103.06	178.48	281.24
(c)	Other Current Liabilities	310.17	247.42	35.03	41.93	631.02	73.50
(d)	Short Term Provisions	106.08	61.83	36.32	22.98	39.69	19.07
		2,662.40	1,881.59	1,458.89	1,514.27	1,228.62	762.79
	Total	4,402.69	3,563.39	2,938.05	2,485.07	2,116.17	1,858.59
B)	ASSETS						
1.	Non-Current Assets						
(a)	Fixed Assets						
	i) Tangible Assets	996.81	1,069.79	415.10	451.09	296.02	281.83
	ii) Intangible Assets	4.94	7.06	11.81	16.03	26.88	-
	iii) Capital Work in Progress	3.34	-	39.10	-	-	-
		1,005.09	1,076.85	466.01	467.12	322.90	281.83
(b)	Non-Current Investment	41.62	24.57	24.55	5.05	15.05	240.10
(c)	Deferred Tax Assets (Net)	-	-	-	-	-	-
(c)	Long Term Loans and Advances	8.02	8.35	8.36	1.02	94.30	94.69
(d)	Other Non-Current Assets	-	-	-	-	-	-
		49.64	32.92	32.91	6.07	109.35	334.79
2.	Current Assets						
(a)	Inventories	185.38	113.57	195.32	68.62	58.15	213.38
(b)	Trade Receivables	1,846.38	1,623.43	1,757.53	1,268.38	959.61	696.30
(c)	Cash and Cash equivalents	25.32	19.55	55.88	101.32	252.30	14.25
(d)	Short-Term Loans and Advances	914.85	446.01	252.23	313.65	267.46	197.60
(e)	Other Current Assets	376.03	251.06	178.17	259.91	146.40	120.44
		3,347.96	2,453.62	2,439.13	2,011.88	1,683.92	1,241.97
	Total	4,402.69	3,563.39	2,938.05	2,485.07	2,116.17	1,858.59

Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV



ANNEXURE - II

STATEMENT OF PROFIT AND LOSS AS RESTATED

(Rs. in Lacs)

PARTICULARS		For the Period ended Dec-17	FOR THE YEAR ENDED 31ST MARCH				
			2017	2016	2015	2014	2013
1	Revenue From Operation (Gross)	4,792.74	7,215.84	5,446.95	4,504.03	3,481.54	2,079.76
	Less: Excise Duty	471.09	649.52	512.13	365.03	117.61	97.24
	Revenue From Operation (Net)	4,321.65	6,566.32	4,934.82	4,139.00	3,363.93	1,982.52
2	Other Income	0.80	1.42	-	0.53	0.67	3.48
	Total Revenue (1+2)	4,322.45	6,567.74	4,934.82	4,139.53	3,364.60	1,986.00
3	Expenditure						
(a)	Cost of Goods Consumed	3,412.66	5,581.29	4,165.49	3,303.45	2,434.89	1,444.60
(b)	Changes in Inventories of finished goods, work in progress and stock -in-trade	33.56	40.88	(86.38)	3.50	26.93	2.02
(c)	Employee Benefit Expenses	88.19	128.81	116.22	121.07	75.62	53.16
(d)	Finance Cost	268.24	211.41	193.41	107.11	128.87	110.05
(e)	Depreciation and Amortisation Expenses	89.69	52.26	65.99	57.47	43.19	42.01
(f)	Other Expenses	285.32	322.57	399.60	481.97	611.50	281.57
4	Total Expenditure 3(a) to 3(f)	4,177.66	6,337.22	4,854.33	4,074.57	3,321.00	1,933.41
5	Profit/(Loss) Before Tax & Extra Ordinary Items(2-4)	144.79	230.52	80.49	64.96	43.60	52.59
6	Tax Expense:						
(a)	Tax Expense for Current Year	44.70	52.30	27.95	14.81	15.31	14.60
(b)	Short/(Excess) Provision of Earlier Year	-	(1.58)	-	2.68	(0.79)	6.83
(c)	Deferred Tax	2.23	28.34	(1.98)	(4.15)	4.65	2.81
	Net Current Tax Expenses	46.93	79.06	25.97	13.34	19.17	24.24
7	Profit/(Loss) for the Year After Tax but before Extra-Ordinary Items(5-6)	97.86	151.46	54.52	51.62	24.43	28.35
8	Extra Ordinary Items	-	-	-	-	-	-
9	Net Profit for the Year (7-8)	97.86	151.46	54.52	51.62	24.43	28.35
Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV							



ANNEXURE - III

CASH FLOW STATEMENT AS RESTATED

(Rs. in Lacs)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH					
	Dec-17	2017	2016	2015	2014	2013
A) Cash Flow From Operating Activities :						
Net Profit before tax	144.79	230.52	80.49	64.96	43.60	52.59
Adjustment for :						
Depreciation	89.69	52.26	65.99	57.47	43.19	42.01
Profit on Sale Of Investment				-		
Interest Paid	268.24	211.41	193.41	107.11	128.87	110.05
Interest Income	-	-	-	-	-	-
Profit Loss on Impairment of assets	-	-	-	-	-	-
Profit /Loss on Sale Of Fixed Assets	-	(1.16)	-	-	-	(2.50)
Dividend Income	(0.80)	(0.26)	-	(0.53)	(0.60)	(0.60)
Operating profit before working capital changes	501.92	492.77	339.89	229.01	215.06	201.55
Changes in Working Capital						
(Increase)/Decrease in Inventories	(71.81)	81.75	(126.70)	(10.47)	155.23	115.97
(Increase)/Decrease in Trade Receivables	(222.95)	134.10	(489.15)	(308.77)	(263.31)	(476.72)
(Increase)/Decrease in Short Term Loans & Advances	(468.84)	(193.78)	61.42	(46.19)	(69.86)	(0.72)
(Increase)/Decrease in other current assets	(124.97)	(72.89)	81.74	(113.51)	(25.96)	(19.32)
(Increase)/Decrease in Long term advances	0.32	0.02	(7.35)	93.32	0.37	(0.24)
Increase/(Decrease) in Trade Payables	186.38	1.24	(91.88)	(75.42)	(102.76)	205.39
Increase/(Decrease) in Other Current Liabilities	62.75	212.39	(6.90)	(589.09)	557.52	4.19
Increase/(Decrease) in Short Term Provisions	44.25	25.51	13.34	(16.71)	20.62	(1.72)
Increase/(Decrease) in Long Term Provisions	0.93	2.68	4.57	2.29	(1.58)	(10.94)
Cash generated from operations	(92.02)	683.79	(221.02)	(835.54)	485.33	17.43
Less:- Income Taxes paid	44.70	50.72	27.95	17.49	14.52	21.43
Cash Flow Before Extraordinary Item	(136.72)	633.07	(248.97)	(853.03)	470.81	(4.00)
Extra Ordinary Items		-	-	-	-	-
Net cash flow from operating activities (A)	(136.72)	633.07	(248.97)	(853.03)	470.81	(4.00)
B) Cash Flow From Investing Activities :						
Purchase of Fixed Assets	(14.57)	(707.62)	(25.77)	(201.46)	(84.24)	(45.54)
Capital expenditure on fixed assets- capital work in progress	(3.34)	39.10	(39.10)	-	-	-
Sale of Fixed Asset	-	6.57	-	-	-	7.11
Purchase of Shares	(17.05)	(0.02)	(19.50)	10.00	225.05	(27.31)
Profit Loss on Impairment of assets	-	-	-	-	-	-
Dividend Rec.	0.80	0.26	-	0.53	0.60	0.60
Net cash flow from investing activities (B)	(34.17)	(661.71)	(84.37)	(190.93)	141.41	(65.14)



C) Cash Flow From Financing Activities :						
Proceeds from Issue of Share Capital	-	-	-	80.00	87.25	8.00
Proceeds from issue of equity shares - Share Premium	-	-	-	80.00	87.25	6.00
Increase/(Decrease) in Short Term Borrowings	487.43	183.56	30.06	966.87	(9.55)	(6.98)
Increase/(Decrease) in Long Term Borrowings	(42.53)	20.16	451.25	(126.78)	(410.25)	157.11
Interest Paid	(268.24)	(211.41)	(193.41)	(107.11)	(128.87)	(110.05)
Net cash flow from financing activities (C)	176.66	(7.69)	287.90	892.98	(374.17)	54.07
Net Increase/(Decrease) In Cash & Cash Equivalents (A+B+C)	5.77	(36.33)	(45.44)	(150.98)	238.05	(15.06)
Cash equivalents at the beginning of the year	19.55	55.88	101.32	252.30	14.25	29.31
Cash equivalents at the end of the year	25.32	19.55	55.88	101.32	252.30	14.25
	As on 31st December, 2017	As on 31st March, 2017	As on 31st March, 2016	As on 31st March, 2015	As on 31st March, 2014	As on 31st March, 2013
Component of Cash and Cash equivalents						
Cash on hand	5.80	11.34	10.87	10.46	14.31	5.12
Balance With banks	19.37	8.06	44.10	86.64	0.70	9.13
Other Bank Balance	0.15	0.15	0.91	4.22	237.29	-
Total	25.32	19.55	55.88	101.32	252.30	14.25
<p>1. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.</p> <p>2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II, III & IV.</p>						



ANNEXURE-IV

SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS

A. BACKGROUND

The Company is engaged in manufacturing of Hydrous & Unhydrous alcohol.

B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2017, March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the stub period ended on December 31, 2017 and financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013 and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the stub period ended on December 31, 2017 and financial year ended March 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013.

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to in all material aspect with accounting principles generally accepted in India, including the accounting Standards as prescribed under section 133 of the Companies Act, 2013(‘the Act’) read with rule 7 of the Companies (Accounts) Rules, 2014 to the extent notified. The financial statements have been prepared on an 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.

2. USE OF ESTIMATES

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosure relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the period. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

3. FIXED ASSETS

Tangible assets

Tangible assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost of Tangible asset comprises purchase price, duties, levies, and any attributable costs bringing the assets to its working conditions for the intended use, less Cenvat credit.

Intangible Assets

Intangible Assets are stated at cost of acquisition less accumulated amortisation/depletion and impairment loss, if any. The Cost comprises purchase price, duties, levies, and any attributable costs bringing the assets to its working conditions for the intended use, less Cenvat credit.

4. DEPRECIATION

Tangible Fixed Assets

Depreciation on tangible assets and intangible assets has been provided on single shift basis under written down value method (WDV). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.



Depreciation on the assets added during the year, has been provided on pro rata basis from the date of addition.

5. BORROWING COSTS

Borrowing costs include interest, amortisation of ancillary costs incurred. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets.

6. IMPAIRMENT OF ASSETS

The carrying values of assets / cash generating units at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

7. INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

8. INVENTORIES

Inventories are valued as under:

Inventories are valued on FIFO basis at the lower of cost and the net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance and receiving charges.

Cost of Finished goods is determined on raw material cost and processing cost which include appropriate proportion of overheads.

9. REVENUE RECOGNITION

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers.

Dividend Income from Bank is recognised on receipt basis. Interest income is accounted on accrual basis.

10. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currencies at the year-end are restated at year end rates

Premium/discount arising at the inception of the forward contracts entered into to hedge foreign currency risks are amortised as expense/income over the life of the contract.



12. EMPLOYEE BENEFITS

The Company has not applied for Provident Fund during the year since the strength of its employees are below statutory limits required to enrolment for Provident Fund Registration.

Liability for gratuity has been determined on an actuarial basis and the same has been provided for in the books of accounts. Leave Encashment is paid on cash basis.

13. ACCOUNTING FOR TAXES ON INCOME

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised.

Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

14. CONTINGENT LIABILITIES AND PROVISIONS

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes.

15. EARNINGS PER SHARE:

Basic and diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

16. CASH FLOW:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

C. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS

There is change in significant accounting policies adopted by the Company, the details of which are as under:



The Company has not been following the provisions of Accounting Standard – 15 “Employee Benefits” issued by the Institute of Chartered Accountants of India for provision for Gratuity before financial year 2016-17, now the company restated appropriately Employee benefits expenses & liability for prior years in compliance with AS-15.

D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

3. Employee benefits:

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation in restated financials though such valuation is carried out by Life Insurance Corporation of India. The disclosures as envisaged under the standard are as under:-

Particulars	2016-17	2015-16	2014-15	2013-14	2012-13
Present value of unfunded obligations Recognized	21.88	19.20	14.64	12.34	11.23
Net Liability					
Current Service Cost	6.46	5.86	3.02	2.95	2.89
Interest on Defined Benefit Obligation	1.50	1.13	1.13	0.89	0
Net Actuarial Losses / (Gains) Recognized in Year	(5.28)	(2.43)	(1.85)	(2.73)	0
Past Service Cost					8.33
Total, Included in “Salaries, Allowances & Welfare”	2.68	4.57	2.30	1.12	11.23
Defined benefit obligation as at the beginning of the year/period	6.46	5.86	3.02	2.95	2.89
Service cost	6.46	5.86	3.02	2.95	2.89
Interest cost	1.50	1.13	1.13	0.89	0
Actuarial Losses/(Gains)	(5.28)	(2.43)	(1.85)	(2.73)	0
Past Service Cost					8.33
Defined benefit obligation as at the end of the year/period	21.88	19.21	14.64	12.34	11.23
Benefit type:	Gratuity Valuation as per Act				
Retirement Age:	58	58	58	58	58
Future Salary Rise:	6%	6%	6%	6%	6%
Discount rate per annum:	7.29%	7.82%	7.72%	9.16%	7.96%
Attrition Rate:	5%	5%	5%	5%	5%
Mortality Rate:	Ultimate	Ultimate	Ultimate	Ultimate	Ultimate

Note - The Company had not obtained Actuary valuation for the stub period ended on December 31st, 2017



4. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

The Company has filed an appeal against the demand made by the Sales Tax Department amounting to ` 7.63 lacs (Previous Year Rs. 7.63 Lacs). No provision of the liability has been made as the Company is confident of judgment by the appellate authorities in its favour.

5. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – R of the enclosed financial statements.

6. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under

Particulars	(Amount in Rs.)					
	As At					
Deferred Tax Liability	31.12.2017	31.3.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net WDV as Per Companies Act	1,001.75	1,076.85	426.91	467.12	322.90	281.83
Net WDV As per Income Tax Act	891.53	965.29	399.39	424.88	288.70	258.40
Timing Difference Due to Depreciation	110.22	111.56	27.52	42.24	34.20	23.43
Deferred Tax Liability (A)	34.06	34.47	8.50	13.05	10.57	7.24
Incremental Due to Depreciation	0.41	(25.97)	4.55	(2.48)	(3.33)	(0.34)
Gratuity Expenses Disallowed	0.01	(0.24)	7.42	20.07	(0.28)	16.65
Disallowance u/s 43B	-	3.55	5.14	3.10	3.16	2.56
Unabsorbed Losses of Specified Business	-	-	-	-	-	-
Timing Difference Due to Gratuity/Disallowances/Losses	0.92	9.46	17.13	25.45	3.98	8.27
Deferred Tax Assets (B)	0.28	2.92	5.29	7.87	1.23	2.56
Incremental Due to Unabsorbed Depreciation/Gratuity/Exp	0.92	9.46	17.13	25.45	3.98	8.27
Net of Deferred Tax Liability/(Deferred Tax Assets) (A-B)	33.78	31.55	3.21	5.18	9.34	4.68
Opening Deferred Tax Liability / (Asset)	31.55	3.21	5.18	9.34	4.68	1.88
Debited/(Credit) to Restated Statement of Profit and Loss Account	2.23	28.34	(1.98)	(4.15)	4.65	2.81

7. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure – Q of the enclosed financial statements.

8. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01st April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (loss) and assets and liabilities of the Company is as under.



Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & loss of the company.

1. Statement of Profit and Loss after Tax - Table -1

Particulars	For the Period 01.04.2017 to 31.12.2017	2016-17	2015-16	2014-15	2013-14	2012-13
Net Profit After Tax as per audited accounts but before adjustments for restated accounts:	100.08	150.09	56.85	47.71	39.57	14.79
Decrease/(Increase) in Loss on sale of Fixed Assets	-	-	-	-	-	-
Decrease/(Increase) in Other Expenses - TDS Defaults as per 26AS	-	-	-	-	-	-
Decrease/(Increase) in Depreciation as per Companies Act	-	-	-	-	-	-
Decrease/(Increase) Provision for Gratuity	-	(0.25)	7.42	(23.54)	(0.28)	16.65
(Decrease)/Increase in Other Expenses	-	-	(2.76)	20.20	(14.06)	3.09
Decrease/(Increase) in finance Exp.	-	-	-	0.30	(0.30)	-
Decrease/(Increase) on Preoperative Expenses	-	-	-	-	-	-
Decrease/(Increase) in DTL	(2.23)	1.61	(6.98)	(6.95)	(0.50)	0.00
Net Increase/ (Decrease)	(2.23)	1.37	(2.32)	(3.91)	(15.14)	13.56
Profits after Tax as per Restated Accounts	97.86	151.46	54.52	51.62	24.43	28.35

a) Adjustment on account of provision for Gratuity:

The Company did not provide gratuity based on the requirement of AS -15 (Revised), therefore during the restatement, provision for gratuity have been done as per the actuarial valuation performed by **Actuary** and accordingly short/excess provisions in respective year were adjusted to comply with the requirement of AS-15 (Revised). Further, an adjustment of Rs. 16.65 lakhs has also been carried out by increasing the opening balances of retained earnings, to give effect the valuation reports of Gratuity as Actuarial Report of Actuary.

b) Adjustment on account of Provision of Deferred Tax:

Due to changes in Depreciation and Provision for Gratuity, etc, the Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

c) Adjustment on account of other Exp, financial exp:

The company has not provided for adjustment related to prior Period Exp. or Prepaid Exp. in its audited financial statements, effect of such transaction has given in the restated financial statements.

9. Realizations:

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets, loans and advances will, in the ordinary course of business. These of business, not be less than the amounts at which they are stated in the Balance sheet.



10. Contractual liabilities

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

11. Amounts in the financial statements

Amounts in the financial statements are rounded off to nearest lakhs. Figures in brackets indicate negative values.



ANNEXURE – A
STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS AS RESTATED

(Rs. in Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
SHARE CAPITAL						
Authorised Share Capital						
Equity shares of Rs.100 each (Rs. 10 each w.e.f. 27/09/2017 *)	400.00	400.00	400.00	400.00	400.00	200.00
Issued, Subscribed and Paid up Share Capital						
Equity Shares of Rs. 100 each fully paid up (Rs. 10 each w.e.f. 27/09/2017 *)	340.25	340.25	340.25	340.25	260.25	173.00
Total	340.25	340.25	340.25	340.25	260.25	173.00
* The company has split its equity shares w.e.f. 27/09/2017 into Rs. 10/- each.						
1. Terms/rights attached to equity shares:						
The Ordinary Shares of the Company, having par value of Rs.100 per share, rank pari passu in all respects including voting rights and entitlement to dividend.						
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.						
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.						
4. The reconciliation of the number of shares outstanding as at: -						
Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Number of shares at the beginning	34.02	3.40	3.40	2.60	1.73	1.65
Add: Shares issued during the year	-	-	-	0.80	0.87	0.08
Number of shares at the end	34.02	3.40	3.40	3.40	2.60	1.73
5. The detail of shareholders holding more than 5% of Shares: -						
Name of Shareholders	As at (No. of Shares in lacs)					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Mr Jayant Shamrao Arbatti	54.42%	54.43%	51.69%	49.54%	49.40%	49.89%
Mrs Sneha J Arbatti	45.57%	45.57%	43.20%	43.20%	41.12%	35.84%
Total	99.99%	100.00%	94.89%	92.74%	90.51%	85.73%
RESERVES AND SURPLUS						
General Reserve						
Balance as last Balance sheet	51.37	51.37	51.37	51.37	51.37	51.37
Less: Depreciation on Assets for period upto 31.03.2014	-	-	-	-	-	-
Add: transfer from revaluation reserve	-	-	-	-	-	-
Total	51.37	51.37	51.37	51.37	51.37	51.37
Security Premium						
As per last Balance Sheet	180.11	180.11	180.11	100.11	12.86	6.86
Addition during the year	-	-	-	80.00	87.25	6.00
	180.11	180.11	180.11	180.11	100.11	12.86
A) Surplus in Profit and Loss account						
Opening Balance	370.82	219.36	164.84	112.95	88.52	60.17
Add: Restated Profit/ (Loss) for the year	97.86	151.46	54.52	51.62	24.43	28.35



Addition during the year - Related to Fixed Assets	-	-	-	0.27	-	-
Total	468.68	370.82	219.36	164.84	112.95	88.52

ANNEXURE – B
STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Long Term Borrowings						
(Secured)						
From Banks (I)	301.84	343.37	225.20	3.91	-	609.61
Unsecured						
From Others (II)	341.46	342.46	440.47	210.51	341.20	141.84
Total (I+II)	643.30	685.83	665.67	214.42	341.20	751.45
Short Term Borrowings						
From Banks/Financial Institutions (Secured)						
Working Capital Loans (Cash Credit)	2,047.35	1,559.92	1,376.36	1,346.30	379.43	388.98
Notes :						
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.						
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II III & IV						
3. The terms and conditions and other information in respect of Secured Loans as on 31.12.2017 are given in Annexure -B (A)						
4. The terms and conditions and other information in respect of Unsecured Loans as on 31.12.2017 are given in Annexure - B (B)						

ANNEXURE – B (A)
STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY AS RESTATED

(Rs. In Lacs)

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31/12/2017
Yavatmal Urban Co - OP Bank Limited	Purchase of Plant & Machinery	4 Crores	12.50%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70 , Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune	755000/Month	3 Months	300.54
Canara Bank	Vehicle Loan	5 Lakhs	10.00%	Tempo Traveller	10661/Month		1.30



Janata Sahakari Bank Ltd.	Working Capital, Temporary O/D	15.50 Crores + 3 Crores	12.50%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70, Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune	-	-	1,849.54
Wardha Nagrik Sahakari Adhikosh	Working Capital	2 Crores	12.50%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70, Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune	-	-	197.81
Total							2,349.19

Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV

ANNEXURE – B (B)
STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS AS RESTATED

STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS					
Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Securities offered	Outstanding amount as on 31.12.2017 (as per Books)
Sales Tax Differment Loan	--	--	--	NIL	121.18
Arihant Tracom Private Limited	Business Loan	Not Applicable	12.00	NIL	80.00
Hi Tech Designs P. Ltd.	Business Loan	Not Applicable	12.00	NIL	50.00
Bajaj Finserv Loan A/c.-New No.402PSB27189925	Business Loan	35.70	19.00	NIL	8.63
Bajaj Finance Ltd. Loan A/c. No. 402PSB10002398	Business Loan	13.26	19.00	NIL	16.52
Capital first Loan No. 3355770	Business Loan	40.00	19.00	NIL	8.28
Capital First Loan No. 7837979	Business Loan	22.73	18.50	NIL	15.38
Capital Float [Zen Lefin Private Limited]	Business Loan	35.00	18.48	NIL	23.62
HDFC BANK Loan A/c No. 32889724	Business Loan	40.00	16.00	NIL	8.06
ICICI BANK Loan-UPPUN00032479536	Business Loan	40.00	15.99	NIL	6.41
Deutsche Bank Loan No.-New	Business Loan	50.00	13.00	NIL	31.21
Religare Loan-XSMEPUN00060452	Business Loan	50.30	18.50	NIL	10.42
Edelweiss Loan No. LPUNSB0000018490	Business Loan	40.10	18.50	NIL	27.06
Indusind Bank	Business Loan	50.00	18.50	NIL	33.74
Magma Fincorp Limited	Business Loan	25.29	18.50	NIL	17.71
Standard Chartered Loan No. 50759744	Business Loan	75.00	17.00	NIL	47.89
TATA CAPITAL NEW LOAN-6591484	Business Loan	40.00	19.06	NIL	26.86
Total		557.38			532.97
Less: Installment Payable within one year					191.51
Total Unsecured Long term outstanding					341.46

Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III and IV



ANNEXURE – C
STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Major Components of deferred tax arising on account of timing differences are:						
Timing Difference Due to Depreciation						
Deferred Tax Liability(A)	34.06	34.47	8.50	13.05	10.57	7.24
Provision of Gratuity outstanding as on the end of Period	22.81	21.88	19.20	14.63	12.34	11.23
Provision of Gratuity outstanding as on the beginning of Period	(21.88)	(19.20)	(14.63)	(12.34)	(11.23)	(24.86)
Provision of Un utilized compensated absences outstanding as on the end of Period	-	3.48	-	-	-	2.69
Expenses Disallowed under Section 43B	-	3.55	5.14	3.10	3.16	2.56
Gratuity Expenses Disallowed under Section 40A(7)	(0.01)	(0.24)	7.42	20.07	(0.28)	16.65
Unabsorbed Depreciation	-	-	-	-	-	-
Timing Difference Due to Gratuity and Compensated Absences	0.92	9.46	17.13	25.45	3.98	8.27
Deferred Tax Assets (B)	0.28	2.92	5.29	7.87	1.23	2.56
Cumulative Balance of Deferred Tax Liability (Net) (A-B)	33.78	31.55	3.21	5.18	9.34	4.68
Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures I,II,III & IV.						

ANNEXURE – D
STATEMENT OF LONG TERM PROVISIONS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Provision for Employee Benefits						
Gratuity Payable	22.81	21.88	19.20	14.63	12.34	11.23
Compensated Absence	-	-	-	-	-	2.69
Others (Income Tax)	-	-	-	-	-	-
Total	22.81	21.88	19.20	14.63	12.34	13.92
Note : The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III & IV.						



ANNEXURE – E
STATEMENT OF TRADE PAYABLES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Trade Payables						
For Goods & Services						
Micro, Small and Medium Enterprises	-	-	-	-	-	-
Others	198.80	12.42	11.18	103.06	178.48	281.24
Total	198.80	12.42	11.18	103.06	178.48	281.24

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company.

ANNEXURE – F
STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Other Current Liabilities						
Current Maturities of Long Term Debt	234.07	234.07	21.58	27.60	609.03	58.18
Interest accrued but not due on Borrowing	-	-	-	-	-	-
Advance From Customers	-	-	-	3.33	9.92	10.19
Statutory Payables	42.84	8.12	12.06	9.41	10.15	4.66
Other Current Liabilities	33.26	5.23	1.39	1.59	1.92	0.47
Total	310.17	247.42	35.03	41.93	631.02	73.50
Short Term Provisions						
Provision for Income Tax	97.00	52.30	27.95	14.81	15.31	14.60
Provisions for Bonus and Leave Encashment	-	5.14	5.14	3.10	3.30	2.56
Salary & Wages Payable	9.37	4.68	3.52	5.36	12.21	-
Provision for expenses	(0.29)	(0.29)	(0.29)	(0.29)	8.87	1.91
Total	106.08	61.83	36.32	22.98	39.69	19.07

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV



ANNEXURE – G
STATEMENT OF FIXED ASSETS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Fixed Assets						
Land	135.89	135.89	108.82	105.80	5.31	5.31
Building	93.57	100.48	22.49	23.18	16.46	18.15
Compound Wall	22.96	24.64	14.57	16.09	9.97	9.61
Computers	0.78	0.85	0.82	2.29	0.59	0.71
Electrical Installation	3.57	4.46	1.13	1.56	2.14	1.48
Furniture	27.01	33.51	45.41	45.71	6.88	8.39
Internal Roads	21.52	23.47	16.10	17.73	19.83	22.03
Laboratory Equipments	7.97	6.41	8.92	9.79	13.75	15.92
Office Equipments	5.03	0.69	1.35	1.11	1.06	1.25
Plant & Machinery	651.69	710.08	185.19	212.71	207.56	182.15
Vehicle	26.82	29.31	10.30	15.12	12.47	16.83
Total	996.81	1,069.79	415.10	451.09	296.02	281.83
Intangible Assets	4.94	7.06	11.81	16.03	26.88	-
Capital Work in progress	3.34	-	39.10	-	-	-

ANNEXURE – H
STATEMENT OF NON-CURRENT INVESTMENTS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Non-Current Investment						
Shares of Vidya Sahakari Bank Limited	5.05	-	5.00	5.00	5.00	5.00
Shares of Jijamata Sahakari Bank Limited	-	-	-	-	5.00	5.00
Shares With Wai Urban Bank Limited	-	-	-	-	5.00	5.00
Shares of Janata Sahakari Bank Limited	32.55	20.55	15.55	0.05	0.05	-
Fixed Deposit with Vidya Sahakari Bank Limited	-	-	-	-	-	-
Shares of Yavatmal Urban Co - OP Bank Limited	4.02	4.02	4.00	-	-	-
Shares of Wardha Sahakari Bank Limited	-	-	-	-	-	-
Fixed Deposit with Vidya Sahakari Bank Limited	-	-	-	-	-	225.10
Total	41.62	24.57	24.55	5.05	15.05	240.10

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV



ANNEXURE – I
STATEMENT OF LONG-TERM LOANS AND ADVANCES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Unsecured, Considered Good unless otherwise stated						
Security Deposit	8.02	8.35	8.36	1.02	94.30	94.69
Other Loans and Advances (Adv IT)	-	-	-	-	-	-
Total	8.02	8.35	8.36	1.02	94.30	94.69

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – J
STATEMENT OF INVENTORIES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Raw Materials	122.82	37.60	69.18	39.03	25.13	159.58
Trading Goods	32.01	11.86	21.15	10.98	10.91	4.76
Work In Progress	30.55	64.11	104.99	18.61	22.11	49.04
Total	185.38	113.57	195.32	68.62	58.15	213.38

Notes:

1. Inventory has been physically verified by the management of the Company at the end of respective year/period.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – K
STATEMENT OF TRADE RECEIVABLES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Outstanding for a period exceeding six months (Unsecured and considered Good)						
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.		-	-	-	-	-
Others		-	-	-	-	-
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)	1,846.38	1,623.43	1,757.53	1,268.38	959.61	696.30
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.		-	-	-	-	-
Others		-	-	-	-	-
Total	1,846.38	1,623.43	1,757.53	1,268.38	959.61	696.30

Notes:



1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – L
STATEMENT OF CASH & CASH EQUIVALENTS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)						
Cash in Hand	5.80	11.34	10.87	10.46	14.31	5.12
Bank Deposits with original maturity of less than 3 months	-	-	-	-	-	-
Balance with Banks	19.37	8.06	44.10	86.64	0.70	9.13
Balances With Banks - Fixed Deposits	0.15	0.15	0.91	4.22	237.29	-
Total	25.32	19.55	55.88	101.32	252.30	14.25

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – M
STATEMENT OF SHORT-TERM LOANS AND ADVANCES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Unsecured, Considered Good unless otherwise stated						
Loans Advances to Related Parties	-	-	-	-	-	-
Other short term advances	914.85	446.01	252.23	313.65	267.46	197.60
Total	914.85	446.01	252.23	313.65	267.46	197.60

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

ANNEXURE – N
STATEMENT OF OTHER CURRENT ASSETS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Balance with Government Authority	371.98	250.50	175.72	250.87	142.69	116.16
Others	4.05	0.56	2.45	9.04	3.71	4.28
Total	376.03	251.06	178.17	259.91	146.40	120.44

Notes:



1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – O
STATEMENT OF OTHER INCOME AS RESTATED

(Rs. In Lacs)

Particulars	For the Year Ended					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Related and Recurring Income:						
Dividend	0.80	0.26	-	0.53	0.60	0.60
Interest Income	-	-	-	-	-	-
Exchange Fluctuation	-	-	-	-	-	-
Sundry Balances Written back	-	-	-	-	0.07	0.38
Profit on Sale of Asset	-	1.16	-	-	-	2.50
Total	0.80	1.42	-	0.53	0.67	3.48

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – P
STATEMENT OF TURNOVER AS RESTATED

(Rs. In Lacs)

Particulars	For the Year Ended					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
(i) Turnover of Products Manufactured & Traded by the Issuer Company	4,321.65	6,566.32	4,934.82	4,139.00	3,363.93	1,982.52
Total	4,321.65	6,566.32	4,934.82	4,139.00	3,363.93	1,982.52

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV

ANNEXURE – Q
STATEMENT OF MANDATORY ACCOUNTING RATIOS AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Net Worth excluding Revaluation Reverse (A)	1,040.41	942.54	791.09	736.57	524.67	325.75
Restated Profit after tax	97.86	151.46	54.52	51.62	24.43	28.35
Less: Prior Period Item	-	-	-	-	-	-
Adjusted Profit after Tax (B)	97.86	151.46	54.52	51.62	24.43	28.35
Number of Equity Share outstanding as on the End of Year/Period (C)	34.02	3.40	3.40	3.40	2.60	1.73



Sterling Chemicals and Alcohols Limited

Weighted average no of Equity shares at the time of end of the year (D)	34.02	3.40	3.40	3.23	1.73	1.65
Weighted average no of Equity shares post bonus issue during Jan 18 (E)	85.06	8.51	8.51	8.08	4.33	4.13
Current Assets (F)	3,347.96	2,453.62	2,439.13	2,011.88	1,683.92	1,241.97
Current Liabilities (G)	2,662.40	1,881.59	1,458.89	1,514.27	1,228.62	762.79
Face Value per Share	10.00	100.00	100.00	100.00	100.00	100.00
Restated Basic and Diluted Earning Per Share (Rs.) (B/D)	2.88	44.51	16.02	15.98	14.12	17.18
Restated Basic and Diluted Earning Per Share (Rs.) (B/E)	1.15	17.81	6.41	6.39	5.65	6.87
Return on Net worth (%) (B/A)	9.41	16.07	6.89	7.01	4.66	8.70
Net asset value per share (A/C)	30.58	277.02	232.50	216.48	201.61	188.30
Net assets value per share (effect of bonus issue of equity shares) (A/D)	12.23	110.81	93.00	91.22	121.31	78.97
Current Ratio (F/G)	1.26	1.30	1.67	1.33	1.37	1.63

Notes:

- 1) The ratios have been computed as below:
 - (a) Basic earnings per share (Rs.) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
 - (b) Diluted earnings per share (Rs.) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
 - (c) Return on net worth (%) - : Net profit after tax (as restated) / Net worth at the end of the period or year
 - (d) Net assets value per share - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
 - (e) Net assets value per share (effect of bonus issue of equity shares) - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after split and bonus issue)
- 2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- 3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- 4) The Company has declared bonus shares in the ratio of 3:2 (3 share bonus for Every 2 shares held in Company) dated 10/01/2018 to all existing shares holders. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the period ended December, 31 2017 and for the year ended March, 31, 2017, March 31, 2016, March 31, 2015, March 31, 2014 and March 31, 2013, March 31, 2012, have been adjusted for the impact of bonus issue.
- 5) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III & IV.

ANNEXURE – R

STATEMENT OF RELATED PARTY TRANSACTION AS RESTATED

(Rs. In Lacs)

Names of the related parties with whom transaction were carried out during the years and description of relationship:	
Holding Company	NA
Subsidiary Companies	NA
Key Managerial Person	Mr. Jayant S. Arbatti
	Mrs. Sneha J. Arbatti
Entities in which KMP/ Relative of KMP can exercise significant influence	Snehjyot Corporation Aakar Developers Swastik Chemicals Precious Alco & Petro India Pvt. Ltd. Chemtech Organics



S.No.	Particulars	For the period ended 31st December, 2017	For the year ended 31st March, 2017	For the year ended 31st March, 2016	For the year ended 31st March, 2015	For the year ended 31st March, 2014	For the year ended 31st March, 2013
1	Directors Remuneration						
	Mr. Jayant S. Arbatti	27.00	36.00	36.00	36.00	27.00	18.03
	Mrs. Sneha J. Arbatti	6.75	9.00	9.00	9.00	8.70	8.40
2	Purchase of Goods & Service	-	-	-	-	-	-
	Snehjyot Corporation	59.56	39.49	98.40	77.72	54.24	35.20
	Aakar Developers	-	-	-	-	-	-
	SwastiK Chemicals	-	-	-	-	-	0.20
	Precious Alco & Petro India Pvt Ltd	-	-	-	-	-	3.76
	Chemtech Organics	-	-	-	-	23.12	7.40
	Shri Venkatesh Organic	-	-	-	-	0.05	0.04
	Sale of Goods						
	Shri Venkatesh Organic	-	-	-	-	168.24	398.89
3	Share Premium	-	-	-	-	-	-
	Mr. Jayant S. Arbatti	-	-	-	-	42.25	-
	Mrs. Sneha J. Arbatti	-	-	-	-	45.00	-
4	Share Capital Issued	-	-	-	-	-	-
	Mr. Jayant S. Arbatti	-	-	-	40.00	42.25	14.00
	Mrs. Sneha J. Arbatti	-	-	-	40.00	45.00	-
5	Share Application Rec.	-	-	-	-	-	-
	Mr. Jayant S. Arbatti	-	-	-	-	94.50	14.00
	Mrs. Sneha J. Arbatti	-	-	-	-	80.00	-
6	Advance Rec.	-	-	-	-	-	-
	Snehjyot Corporation	-	-	-	-	-	15.65
	Aakar Developers	-	1.90	1.29	-	-	-
		-	-	-	-	-	-
	Outstanding Balances	-	-	-	-	-	-
	Mr. Jayant S. Arbatti	(2.27)	(1.31)	(0.45)	(0.31)	(7.52)	0.24
	Mrs. Sneha J. Arbatti	(0.68)	(0.71)	(1.23)	(0.75)	(0.88)	-
	Snehjyot Corporation	219.22	188.78	93.47	99.87	50.70	(45.23)
	Precious Alco & Petro India Pvt Ltd	-	-	-	-	-	24.26
	Chemtech Organics	-	-	-	-	-	(4.57)
	Shri Venkatesh Organic	-	-	-	-	260.95	256.11
	Aakar Developers	86.23	86.23	84.33	-	-	-



ANNEXURE – S
STATEMENT OF CAPITALISATION AS RESTATED

(Rs. In Lacs)

Particulars	Pre Issue	Post Issue
	31.12.2017	
Debt		
Short Term Debt	2047.35	2047.35
Long Term Debt	643.30	643.30
Total Debt	2690.65	2690.65
Shareholders' Fund (Equity)		
Share Capital	340.25	1216.61
Reserves & Surplus	700.16	968.97
Less: Issue Expenses	0.00	40.00
Total Shareholders' Fund (Equity)	1040.41	2145.58
Long Term Debt/Equity	0.62	0.30
Total Debt/Equity	2.59	1.25
Notes:		
1. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities		
2. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/12/2017		

ANNEXURE – T
STATEMENT OF TAX SHELTER AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Profit before taxes as restated	144.79	230.52	80.49	64.96	43.60	52.59
Tax Rate Applicable %	30.90	33.06	30.90	30.90	30.90	30.90
Tax Impact (A*B)	44.74	76.22	24.87	20.07	13.47	16.25
Adjustments:						
Permanent Differences						
Donation		0.25	-		-	0.05
Expenditure of Capital Nature disallowed	-	-		1.98		
Interest on Tds	0.03	3.30	2.48	2.45	1.81	2.03
Amount Disallowed U/s 37	0.01			4.73		2.69
Total Permanent Differences	0.04	3.55	2.48	9.17	1.81	4.77
Timing Difference						
Depreciation as per compaies act	89.69	52.26	65.99	57.47	43.19	42.01
Depreciation as per Income tax act (normal)	116.72	88.15	51.23	56.52	48.80	39.94
Depreciation as per Income tax act (Additional)	-	47.00	3.65	8.75	5.14	0.69
Difference between tax depreciation and book depreciation	(27.03)	(82.89)	11.11	(7.80)	(10.75)	1.39



	Expenses Disallowed Under Section 43 B		3.55	5.14	3.10	3.16	2.56
	Gratuity Expenses Disallowed under Section 40A(7)	0.92	2.44	11.99	-	0.83	3.02
	Leave Encashment Disallowed under Section 43B		3.48				
	Gratuity and Leave Encashment Expenses Allowed on payment basis under Section 40A(7) and 43B respectively	-	(6.89)	(4.60)	(20.07)	(0.06)	(3.79)
	Sales Tax Deferral Payment	-	(7.41)	(13.25)			
	Total Timing Differences	(26.11)	(87.72)	10.40	(24.77)	(6.83)	3.17
	Brought Forward Losses						
	Net Adjustment (F) = (D+E)	(26.07)	(84.17)	12.88	(15.61)	(5.02)	7.94
	Tax Expenses/ (Saving) thereon (F*B)	(8.06)	(27.83)	3.98	(4.82)	(1.55)	2.45
	Income chargeable at special rate 11330@10%						
	Tax Liability, After Considering the effect of Adjustment (C +G)	36.68	48.39	28.85	15.25	11.92	18.70
	MAT Credit Utilized						
	Tax Liability, After Considering the effect of MAT Credit	36.68	48.39	28.85	15.25	11.92	18.70
	Book Profit as per MAT *	144.79	230.52	80.49	64.96	43.60	52.59
	MAT Rate	19.06	20.39	19.06	19.06	19.06	19.06
	Tax liability as per MAT (I*J)	27.59	47.00	15.34	12.38	8.31	10.02
	Current Tax being Higher of H or K	36.68	48.39	28.85	15.25	11.92	18.70
	MAT Credit Entitlement						
	Total Tax expenses (L+M+N)	36.68	48.39	28.85	15.25	11.92	18.70
	Total Tax as per Return of Income (Before Interest under Section 234A,B and C of Income Tax Act, 1961)	9.90	52.30	26.37	14.81	15.31	13.56
	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	Normal	Normal	Normal	Normal	Normal	Normal

* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act,1961

Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax r respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc has been adjusted in the tax liability of the year to which the liability pertains.

2. The figures for the year ended March 31, 2017 are based on the provisional computation of Total Income prepared by the Company.



3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I,II,III,IV.

ANNEXURE – U
RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES AS RESTATED

(Rs. In Lacs)

Particulars	As at					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Contingent liabilities in respect of:						
Sale Tax Demand against which Appeal Had been Filed	7.63	7.63	7.63	7.63	7.63	7.63
Total	7.63	7.63	7.63	7.63	7.63	7.63
Notes:						
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.						
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV						

ANNEXURE – V
OTHER EXPENDITURE

(Rs. In Lacs)

Particulars	For the Year Ended					
	31.12.2017	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Consumables & Stores	0.32	3.16	2.33	3.31	3.94	14.56
Labour Charges	0.00	0.54	1.51	6.84	6.73	5.47
Power and Fuel	30.54	52.67	74.16	59.54	41.66	27.24
Freight Handling & Cartage	37.22	42.24	82.98	48.85	48.39	28.85
Repairs and Maintenance - Machineries	13.17	3.36	3.77	2.36	0.56	2.57
Testing Charges	1.66	2.74	2.54	2.74	1.98	1.12
Water Charges	1.59	2.95	0.94	1.16	1.08	0.98
State Excise Department Expenses	36.40	28.15	23.09	15.08	11.36	6.54
Auditor's Remuneration (Refer details below)	1.31	1.75	1.75	1.50	1.50	1.25
Bank Charges	2.87	4.47	4.78	21.28	4.93	3.79
Bad Debts	0.00	0.00	7.60	0.00	0.00	0.00
Clearing & Forwarding Expenses	8.98	24.16	32.70	123.81	210.70	64.85
Commission on Sales	21.12	33.97	17.50	18.58	11.83	24.95
Communication Expenditure	2.53	2.24	2.99	3.80	3.39	2.54
Documentation Cost	5.92	6.45	4.84	17.46	17.48	13.28
Exchange Loss	0.00	0.00	17.03	-11.34	6.15	2.43
Freight Charges	74.36	59.96	48.42	104.70	183.81	32.71
Insurance	5.07	5.33	4.65	5.07	4.73	1.83
Interest (Others)	1.60	3.71	4.26	3.06	0.00	0.00
Legal & Professional Charges	7.56	6.59	9.72	18.34	11.21	3.69
Printing & Stationery	0.74	1.14	1.54	1.09	2.41	0.72
Rates and Taxes	5.66	3.60	3.50	5.80	3.85	3.82
Repairs and Maintenance	2.94	6.67	8.94	7.47	4.61	5.00
Sales Promotion	4.88	8.11	17.38	7.08	9.15	10.03



Sterling Chemicals and Alcohols Limited

Security Expenses	2.12	2.97	2.82	2.77	2.80	2.99
Traveling and Conveyance	7.48	5.36	7.06	6.36	7.91	10.01
Miscellaneous Expenses	9.28	10.28	10.80	5.26	8.78	3.50
MTM Losses on Forward Contracts	0.00	0.00	0.00	0.00	0.00	5.05
Rent	0.00	0.00	0.00	0.00	0.56	1.80
Total	285.32	322.57	399.60	481.97	611.50	281.57

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures I, II and III & IV



STATEMENT OF FINANCIALS INDEBTEDNESS

To,

The Board of Directors,
Sterling Chemicals and Alcohols Limited
 GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi,
 Taluka Shirur, Pune, Maharashtra-412208, India

Dear Sir,

The principal terms of loans as on **31st December, 2017** is as given below:

Secured Loans:-

(Amount in Lakhs)

Name of Lender	Purpose	Loan\Agreement A/c No.	Sanctioned Amount (In Lacs)	Rate of interest	Primary Security	Re-Payment Schedule	Moratorium	Outstanding amount as on 31.12.2017 as per Books	Outstanding amount as on 31.03.2017 as per Books
Yavatmal Urban Co - OP Bank Limited	Purchase of Plant & Machinery	33172000005	4 Crores	12.5%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70, Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune	755000/Month	3 Months	300.54	341.32
Canara Bank	Vehicle Loan	0316603011583	5 Lakhs	10%	Tempo Traveller	10661/Month		1.30	2.05
Janata Sahakari Bank Ltd.	Working Capital, Temporary O/D	041153100000018	15.50 Crores + 3 crores	12.5%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70, Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune			1849.54	1559.92
Wardha Nagrik Sahakari Adhikosh	Working Capital	803007-5030001943	2 Crores	12.5%	1. Sanswadi Plot along with building Gut no. 943/1A/1 & 943/1A/1/2. 2. Baner Plot Survey No. 150/5/1, Baner, Pune 3. Bhale estate, unit no. B 68 & 70, Survey no. 15A, CTS no. 14E, Wakdewadi, Shivaji Nagar, Pune			197.81	-
Total								2349.19	1945.85



Sterling Chemicals and Alcohols Limited

Terms and Conditions as per sanction letter:

As mentioned in the above Statement

Unsecured Loans

(Amount in Lakhs)

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding Amount As On (as per Books)	
					31.12.2017	31.03.2017
Sales Tax Differment Loan	Business Loan	Nil	NA	Nil	121.18	121.18
Arihant Tracom Private Limited	Business Loan	12	NA	Nil	80.00	0.00
Hi Tech Designs P. Ltd.	Business Loan	12	NA	Nil	50.00	0.00
Bajaj Finserv Loan A/c.-New No.402PSB27189925	Business Loan	19	48606/Month	Nil	8.63	11.54
Bajaj Finance Ltd.Loan A/c. No. 402PSB10002398	Business Loan	19	106743/Month	Nil	16.52	23.30
Capitalfirst Loan No. 3355770	Business Loan	19	145615/Month	Nil	8.28	19.37
Capital First Loan No. 7837979	Business Loan	18.50	83318/Month	Nil	15.38	20.29
Capital Float [Zen Lefin Private Limited]	Business Loan	18.48	127413/Month	Nil	23.62	31.21
HDFC BANK Loan A/c No. 32889724	Business Loan	16	140628/Month	Nil	8.06	19.00
ICICI BANK Loan-UPPUN00032479536	Business Loan	15.99	140628/Month	Nil	6.41	17.55
Deutsche Bank Loan No.-New	Business Loan	13	168349/Month	Nil	31.21	42.69
Religare Loan-XSMEPUN00060452	Business Loan	18.50	183111/Month	Nil	10.42	24.36
Edelweiss Loan No. LPUNSB0000018490	Business Loan	18.50	145985/Month	Nil	27.06	35.76
Indusind Bank	Business Loan	18.50	182019/Month	Nil	33.74	44.56
Magma Fincorp Limited	Business Loan	18.50	92056/Month	Nil	17.71	23.12
Standared Chartered Loan No. 50759744	Business Loan	17	267396/Month	Nil	47.89	64.64
TATA CAPITAL NEW LOAN-6591484	Business Loan	19.06	145615/Month	Nil	26.86	35.41
Total					532.97	533.97
Less: Installment Payable within one year					191.51	191.51
Total Long Term Unsecured Loan					341.46	342.46



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

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Prospectus. You should also read the section entitled "Risk Factors" beginning on page 15 and "Forward Looking Statements" beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.

The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the Period ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013, including the schedules and notes thereto and the reports thereto, which appear in the section titled "Financial Information of the Company" on Page No. 141 of the Draft Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.

OVERVIEW

Our Company is engaged in manufacturing of chemicals such as Ethanol and its various grade specifically for use of pharmaceutical and chemicals industries. Ethanol is a renewable, domestically produced alcohol fuel made from plant material, such as corn, sugar cane, or grasses. Using ethanol can reduce oil dependence and greenhouse gas emissions. The ethanol alcohol offered by us is a water miscible and colorless liquid, which is free from suspended particles. Used for various industrial applications, including fuel blending with petrol and many others, the ethanol alcohol is greatly demanded by customers. By providing matchless quality of ethanol alcohol. Our Company have started supplying fuel ethanol to oil refining and marketing companies in India for petrol blending also.

Our Company has originally started its production with in the year 1997 with capacity of 5 KLPD (5000 Bulk Liter per Day) of manufacturing and then after in the year 2001 our company expanded the capacity to 30KLPD (30,000 Bulk Liter per Day) after installation of second plant with advance vapor phase dehydration process. In order to strengthen our business operation and continue to invest in technology, our Company has purchased Anhydrous Ethanol Plant which strengthen our total production capacity to 80 KLPD in the year 2016-17. Our company also developed special extra pure grades of Ethanol in own laboratory and enhanced our lab Facility with new technology of machines like Gas Chromatography & Ultraviolet Specter photo meter testing.

The manufacturing process of ethanol is based on the Molecular Sieve Technology. The Rectified Spirit is the initial product. The rectified spirit from the rectifier column is collected in a separate tank and passed through pre-heater to raise the temperature to the appropriate level, then fed in to the recovery column and heated through re-boiler by steam to produce vapours and the vapours are super-heated with steam in super heater. The Super-heated alcohol vapour is passed through one of the pair of molecular sieve beds through auto mode.

The water molecules are absorbed by the molecular sieves and become saturated. When the first molecular sieve bed saturated with water, automatically alcohol vapours will pass through the second bed. In first bed vacuum is created and water molecules accumulated are removed by desorption. The ethanol vapours having alcohol are condensed and stored in the receiver tanks. The desorbed liquid contains 70 % - 75 % alcohol which is partially used for creating vacuum and remains recycled to recovery column.

Our Products are manufactured at our unit situated at Sanaswadi, Taluka, Shirur, Pune, Maharashtra. Presently the promoters of the Company are Mr. Jayant Shamrao Arbatti and Mrs. Sneha Jayant Arbatti who have experience of about three decades in Chemical Industry. The vast experience of the Promoters has been instrumental in determining the vision and growth strategies for our Company. We further believe that our market position has been achieved by adherence to the vision of our Promoters and senior management team and their experience of over a decades in the industry in which our Company operates.

For the month ended December 31, 2017, our Company's Total Revenue and Restated Profit after Tax were Rs.4322.45 Lacs and Rs. 97.86 Lacs, respectively. For the year ended March 31, 2017, our Company's Total Revenue and Restated Profit after Tax were Rs.6567.74 Lacs and Rs. 151.46 Lacs, respectively. For the year ended March 31, 2016, our Company's Total Revenue and Restated Profit after Tax was Rs.4934.82 Lacs and Rs.54.52 Lacs respectively, compared to our Company's Total Income and Restated Profit after Tax of Rs.4139.53 Lacs and Rs.51.62 Lacs respectively, over previous year ended i.e. March 31, 2015.



Competitive Strengths

Strategic Location of Manufacturing Unit / Location Advantage

Our factory is situated at Sanaswadi, Taluka Shirur, Pune where we have set up our manufacturing units which is well known for chemical industry which gives us an advantage for easy availability of raw material for manufacturing of chemicals. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our products supplied to chemical industry, pharmaceutical industry, cosmetics, perfumery Industry, Industrial applications, chemical laboratories, research and educational institutions, hospitals. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

Experienced Management Team

Our Promoter has vast experience in the industry. We believe that our senior management team has extensive experience in the commissioning of and operating manufacturing capacities, finance, sales, business development and strategic planning in the industry. The vision and foresight of our management enables us to explore and seize new opportunities and accordingly position ourselves to increase the capacity of production and capitalize on the growth opportunities in the Chemical Industry. We believe that the demonstrated ability and expertise of our management team for committed asset investment and use of cutting-edge technology results in growing capacities and rising production levels with better cost management and enhanced process efficiency has translated into our quality product, increasing profitability and improved margins which gives us a competitive edge.

Our global sales and marketing network

Our Customer base is spread in all over India like Maharashtra, Gujarat, Goa, Madhya Pradesh, Telangana, Karnataka States and identified overseas market in East/West Africa & Saudi. We have focused on growing our international reach and now have presence in many countries such as East/West Africa & Saudi. We are enhancing our global presence by offering customer better product varieties and quality at economical prices.

Quality Assurance and Standards

The success of the company lies in its strategic ideology of keeping pace with the times. Our Quality Policy covers the entire gamut of our operations, from using the best raw materials to strict control at every stage of manufacturing and packaging. With congenial working environment, strong infrastructure, highly skilled and dedicated technical staff & committed management work to maintain updated Quality Management Systems that have resulted in compliance with the highest standards, of quality safety and productivity.

Well Established Manufacturing facilities

Our existing manufacturing facility is established in the state of Maharashtra, Sanaswadi, Taluka, Shirur, Pune with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated Vaporizer, Air Compressor tanks, RO Plant and Programmable Logic Controller. Our unit has processing plant for manufacturing Ethanol and its various grade. The established manufacturing plant adds significant competitive advantage in manufacturing process of our Company.

Existing relationship with suppliers

We manufacture Ethanol and denatured spirit for Chemicals and Pharmaceuticals manufacturing Companies. We acquire raw materials, basically rectified spirit, from several suppliers and have enduring relationship with them for a long time. We believe that our strong relationships with suppliers will enable us to continue to grow our business. Due to our relationships with our suppliers, we get quality and timely supplies of raw materials. This enables us to manage our inventories and supply quality products on timely basis to our customers. This in turn has enabled us to generate repeat business.

OUR BUSINESS STRATEGIES:-

Improve capacity utilization and increase operational efficiencies

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and



therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in unit. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

To build-up a professional organization

As an organization we believe in transparency and commitment in our work among our work force and with our suppliers, customers, government authorities, banks, financial institutions etc. We have employed experienced persons for taking care of our day to day activities. We also consult with outside agencies on a case to case basis on technical and financial aspects of our business. Hence, the philosophy of professionalism is foundation stone of our business strategy and we wish to make it more sound and strong in times to come.

Maintain consistent profitability

We have generated strong revenue from operations in past decade from the year 2007 to 2017 at a growth stage under the leadership of our Promoter Mr. Jayant Shamrao Arbatti. This has enabled us to further invest in our business. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

Optimal Utilization of Resources

Our Company constantly endeavors to improve our Manufacturing process, and will increase manufacturing process to optimize the utilization of resources. We have invested significant resources, and intend to further invest in our activities to develop customized systems and processes to ensure effective management control. We regularly analyze our existing policies to be carried out for operations of our Company which enable us to identify the areas of bottlenecks and correct the same. This helps us in improving efficiency and putting resources to optimal use.

Leveraging our Market skills and Relationships

This is a continuous process in our organization and the skills that we impart in our people give importance to customers. We aim to do this by leveraging our marketing skills and relationships and further enhancing customer satisfaction. We plan to increase our customers by meeting orders in hand on time, maintaining our customer relationship and renewing our relationship with existing buyers.

SWOT ANALYSIS:

<u>Strengths</u> <ul style="list-style-type: none"> ➤ Well Established Manufacturing facility ➤ Quality assurance and Standard ➤ Experience Management Team. 	<u>Weakness</u> <ul style="list-style-type: none"> ➤ Working Capital Intensive Business
<u>Opportunities</u> <ul style="list-style-type: none"> ➤ Potential to increase capacity in the existing facility ➤ Establishment of market in neighboring states 	<u>Threats</u> <ul style="list-style-type: none"> ➤ Industry is prone to change in government policies, ➤ Any material changes in the duty may adversely impact our financials

Our Products and its specification:-

S.No.	PRODUCT NAME	DISCRIPTION AND SPECIFICATION
1.	Ethyl Alcohol (Industrial Grade) Hydrous/ Anhydrous	Clear, colorless, volatile liquid, free from suspended matters contains Specific gravity at 20 o/20o C Max-0.8126, Ethanol content, % v/v at 20o C Min.-95.00, Miscibility with water, Alkalinity-Nil, Acidity (mg/L) Max.-100.00, Aldehyde content (mg/L) Max.-1000.00, Ester content (mg/L) Max.-200.00, Methanol content(mg/L) Max.-200.00, Fuel Oil /Higher Alcohol content (mg/L) Max. - 400.00, Furfural content, (mg/L) Max. – ND, Residue on



		evaporation (% by mass) Max.-0.010, Copper (as Cu (mg/L) Max. -4.0, Lead (as Pb), (mg/L) Max.-1.0
2.	Ethyl Alcohol (Pharma Grade) Hydrous/Anhydrous	Clear, colorless, volatile liquid, free from suspended matters. Specific gravity at 20 o/20o C Max.0.8126, Ethanol content, % v/v at 20o C Min.-95.00, Miscibility with water, Alkalinity-Nil, Acidity (as Acetic acid), (mg/L) Max.-60.00, Aldehyde content (as Acetaldehyde), (mg/L) Max.-60.00, Ester content (as Ethyl acetate)(mg/L) Max.200.0, Methanol content (mg/L) Max.-150.00, Fuel Oil /Higher Alcohol content, (mg/L)Max.300.00, Furfural content(mg/L) Max.-ND, Residue on evaporation (% by mass) Max.-0.005, Copper (as Cu) (mg/L) Max.-4.00, Lead (as Pb), (mg/L) Max.1.000
3.	Ethyl Alcohol-CAS (Hydrous) Potable Grade	Clear, colorless, volatile liquid, free from suspended matters, Specific gravity at 20 o/20o C, Max.-0.8127, Ethanol content, % v/v at 20o C Min. ≥96.0, Miscibility with water. Alkalinity-Nil to phenolphthalein, Acidity, (as Acetic acid), (mg/L) Max-30.00, Aldehyde content (as Acetaldehyde), mg/L Max.-30.00, Ester content, (as Ethyl acetate),(mg/L) Max. 100.00, Methanol content (mg/L) Max.-160.00, Fuel Oil /Higher Alcohol content (mg/L) Max.-150.00, Furfural content, mg/L Max.-ND, Permanganate time Minutes Min-10
4.	Ethyl Alcohol (Perfumery Grade) Hydrous	Clear, colorless, volatile liquid, free from suspended matters, Specific gravity at 15.6 o/15.6o C, Max-0.8337, Ethanol content, % v/v at 15.6o C.≥90, Miscibility with water, Alkalinity-Nil, Acidity (as Acetic acid), % w/w Max.0.002, Aldehyde content (as Acetaldehyde), (mg/L) Max-To pass the test, Fusel Oil /Higher Alcohol content (mg/L) Max-To pass the test.
5.	Ethyl Alcohol (Neutral Grade) Hydrous	Clear, colorless, volatile liquid, free from suspended matters, Relative Density at 15oC-0.81245 to 0.81679, Ethanol content, % v/v at 15.6o C. 94.00 to 96.00, Miscibility with water, Alkalinity-Nil, Acidity ,(as Acetic acid), (mg/L) Max.-20.00, Aldehyde content (as Acetaldehyde), (mg/L) Max.-40.00, Ester content, (as Ethyl acetate) (mg/L) Max. 100.00, Methanol content (mg/L) Max.-200.00, Isopropyl Alcohol, Acetone & other Ketones Max.-To satisfy the test, Furfural content, (mg/L) Max.-ND, Residue on evaporation (% by mass Max.)-0.002, Permanganate time, Minutes Min.-30
6.	Ethyl Alcohol (Extra Neutral Alcohol) Hydrous/Anhydrous	Clear, colorless, volatile liquid, free from suspended matters, Odor & taste No foreign odor or taste, Clarity of soln on 1:19 dilution with water-Clear & miscible completely, Specific gravity at 20 o/20o C, Max.-0.8087, Ethanol content, % v/v at 20o C. ≥ 96.00, Miscibility with water, Alkalinity-Nil to phenolphthalein, Acidity, (as Acetic acid), mg/L Max. -30.00, Aldehyde content, (as Acetaldehyde) (mg/L) Max.-10.00, Ester content, (as Ethyl acetate) (mg/L) Max.-100.00, Methanol content, (mg/L) Max.-150, Higher Alcohols, (mg/L) Max.-30, Furfural content, (mg/L) Max.-ND. Residue on evaporation, (mg/L) Max.-20.00, Permanganate time, Minutes Min.-30
7.	Ethyl Alcohol (Special Grade to Meet EP/BP/USP/IP) Hydrous/Anhydrous	Clear, colorless, mobile, volatile liquid, free from any solid materials. Has a characteristic odor and produces burning sensation on the tongue. Readily volatilized even at low temperature, and boils at about 78o C.Is flammable. Solubility- Miscible with water and many organic solvents, Clarity of solution.-Test solution A and Test solution B show the same clarity as that of water, or their opalescence is not more pronounced than that of reference suspension A., Color of solution-The test solution has the appearance of water or is not more intensely colored than the standard solution, Identification (A) By Sp. Gravity (B) By IR- It complies the test for specific gravity the IR Spectrum of the test exhibits maxima only at the same wavelength as that of a similar preparation of hydrated Alcohol, Specific gravity. Not more than 0.7962 at 15.56o C, Indicating not less than 92.3% of C ₂ H ₅ OH, by weight, corresponding to not less than 94.9% to 96 % by volume at 15.56o C., Acidity or alkalinity-The solution is colorless. On addition of 1.0 ml of 0.01 N Sodium hydroxide, to 20 ml alcohol, it should change to pink., Ultraviolet absorption- At 240 nm absorbance is not more than 0.40 Between 250 nm and 260 nm maximum absorbance is not more than 0.30, Between 270 nm and 340 nm maximum absorbance is not more than 0.10, Between 235 nm and 340 nm the absorbance curves. Is smooth. (All requirements are in 5 cm cell). Volatile impurities by GC- Methanol-Not more than 200 ppm. Sum of content of acetaldehyde and acetal expressed as acetaldehyde Not more than 10 ppm. Benzene-Not more than 2 ppm, Total of all other impurities-Not more than 300 ppm, Limit of non-volatile residue-The weight of the residue does not exceed 2.5 mg/100 ml=25 ppm.



8.	Mixed Industrial Solvents EA/IPA (85% Ethyl Alcohol & 15% of other Solvents)	Clear, Colorless Liquid, Density at 20 o C gm/ml.-0.795, Ethanol content, % v/v. (85±2), Isopropyl Alcohol, % v/v. (15±2), Miscibility with water, Alkalinity-Nil., Acidity (as Acetic acid), g/100ml Max. 0.010, Aldehyde content (as Acetaldehyde), g/100ml Max.-0.100, Ester content (as Ethylacetate), g/100 ml Max.-0.020, Methanol content, g/100 ml Max.-0.050, Furfural content, g/100 ml Max.-ND-, Residue on evaporation (% by mass) Max.-0.010, Water content % v/v.-0.600
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Main Features of our Products:-

- Cleared & colorless
- Volatile liquid
- Miscible with water
- Non toxic
- Hygroscopic
- Characteristic & Spirituous Odor
- Identification and Purity of GC test

OUR LOCATION:-

Registered Office & Factory	GAT No. 943/1A/1 & 943/1A/1/2 Sanaswadi, Taluka Shirur, Pune - 412208, Maharashtra, India.
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CAPACITY UTILISATION:-

Particulars	Existing			Proposed		
	2014-15	2015-2016	2016-17	2017-18	2018-19	2019-20
Installed Capacity	90,00,000	90,00,000	90,00,000	1,65,00,000	1,65,00,000	1,65,00,000
Capacity Utilization (in %)	71.59%	81.73%	65.33%	62.80%	69.08%	75.99%

PLANT & MACHINERY:-

We have installed sufficient Plant and Machinery for manufacturing of Ethanol which includes Hydrous & Un Hydrous Plant (special grade Ethanol Plant), 50 KLPD Molecular Sieve Based Anhydrous Ethanol Plant, R. O. Water Plant, D. G. Set, Air Compressor Tank, Thermic Fluid Heater, Cooling Tower, Water Tank Storage Tanks, Dehydration plant, lab Facility, Gas Chromatography & Ultraviolet Specterphotometer.

COLLABORATIONS/TIE UPS/ JOINT VENTURES:-

Except as disclosed in this Draft Prospectus, we do not have any Collaboration/Tie Ups/ Joint Ventures as on date of Draft Prospectus.

EXPORT OBLIGATION: Our Company does not have any export obligation as on date.

MARKETING:-

Marketing is an important function of our organization. Our success lies in the strength of our relationship with our customers who have been associated with our company for a long period. Our Directors, Mr. Jayant Shamrao Arbatti, through their vast experience and good rapport with clients owing to timely and quality delivery of spirit plays an instrumental role in creating and expanding a work platform for our Company. We avail both direct and indirect channels of sales for selling and marketing our products.

MARKETING STRATEGY:-

In future we intend to focus on following marketing strategies:

- Focus on existing markets and increasing our customer base.
- Continuously holding markets Trends



COMPETITION:-

We face substantial competition for our products from other manufacturers in domestic market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of Manufacturing of Ethanol, Absolute Alcohol with Volatized feature including factors, based on reputation, regional needs, and customer convenience. While these factors are key parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Fineotex Chemicals Limited
- Vadivarhe Speciality Chemicals Ltd.

INFRASTRUCTURE & UTILITIES:-

Raw Materials:-

The Company has procures its raw- material mainly from Co-operative Sugar factories in bulk Liter, located in and around Maharashtra throughout the year.

Power:-

The requirement of power for our operations, like power for running unit and operating the machinery/equipment is met through Maharashtra State Electricity Distribution Company Limited. In addition, the company has installed DG Sets with capacity of 200 KVA as standby arrangement

Water:-

Water requirement is high and is procured through private contractor through pipeline and locally by way of existing water supply network in that area.

Human Resource:-

As on December 31, 2017 our Company has 18 employees. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Further our company hires casual worker for factory on contract. Our manufacturing processes include skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Draft Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. We have appointed Mr. Dhananjay Sanatkumar Vaidya and Mr. Bijay Kumar Lenka and redesignated Mr. Uttam Manohar Kaleas Non Executive Independent Director of the Company with effect from January 10, 2018.
2. The authorized capital of the Company was increased from 4,00,00,000/- divided into 40,00,000 Equity Shares of ₹ 10/- each to ₹ 12,50,00,000/- divided into 1,25,00,000 Equity Shares of ₹ 10/- each vide shareholders Resolution dated January 10, 2018.
3. Company has allotted 51,03,675 Bonus Shares in the ratio of 3:2 to existing shareholders by capitalization Reserve and surplus vide shareholder resolution dated January 10, 2018.
4. We have passed a special resolution in shareholders meeting dated January 10, 2018 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 2000 Lacs.
5. We have changed the designation of Mr. Jayant Shamrao Arbatti from Director to Managing Director in shareholders meeting dated January 10, 2018 for a period of five years w.e.f. January 10, 2018.



6. We have changed the designation of Mrs. Sneha Arbatti from Director to Chairman and Whole Time Director in shareholders meeting dated January 10, 2018 for a period of five years w.e.f. January 10, 2018.
7. We have appointed Mr. Manojkumar Charudatta Naidu as Chief Financial Officer of the Company with effect from January 10, 2018.
8. We have appointed Ms Shalini Agrawal. as Company Secretary & Compliance officer of the Company with effect from January 10, 2018

FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-

Our results of operations could potentially be affected by the following factors amongst others:

1. General economic and business conditions in India;
2. Disruption in our manufacturing facilities.
3. Company's ability to successfully implement its growth strategy and expansion plans, and to successfully launch
4. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
5. Inability to successfully obtain registrations in a timely manner or at all;
6. General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
7. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
8. Changes in laws and regulations relating to the industries in which we operate;
9. Effect of lack of infrastructure facilities on our business;
10. Occurrence of Environmental Problems & Uninsured Losses;
11. Intensified competition in industries/sector in which we operate;
12. Our ability to successfully implement our growth strategy and expansion plans;
13. Our ability to attract, retain and manage qualified personnel;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Conflicts of interest with affiliated companies, the promoter group and other related parties;
16. Any adverse outcome in the legal proceedings in which we are involved;
17. Our ability to expand our geographical area of operation;
18. Concentration of ownership among our Promoters.
19. Concentration of ownership among our Promoters.

Our Significant Accounting Policies:

Our significant accounting policies are described in the section entitled "Financial Information of the Company" on page 141 of this Draft Prospectus.

Change in accounting policies in previous 3 (three) years

Except as mentioned in chapter "Financial Information of the Company" on page no. 141, there has been no change in accounting policies in last 3 (three) years.

Summary of the Results of Operations

The following table sets forth financial data from restated profit and loss account for the period ended December 31st, 2017 and financial Year ended on March 31, 2017, 2016, 2015, 2014 & 2013 the components of which are also expressed as a percentage of total income for such periods.

(Amt. in Lacs)



Particulars (For the Year ended)	31 st December, 2017	% of Total Income	31 st March 2017	% of Total Income	31 st March 2016	% of Total Income	31 st March 2015	% of Total Income	31 st March 2014	% of Total Income
Revenue from Operations	4,321.65	99.98	6,566.32	99.98	4934.82	100.00	4139.00	99.99	3363.93	99.98
Other Income	0.80	0.02	1.42	0.02	0.00	0.00	0.53	0.01	0.67	0.02
Total Income	4,322.45	100.00	6,567.74	100.00	4,934.82	100.00	4,139.53	100.00	3,364.60	100.00
Cost of Material Consumed	3,412.66	78.95	5,581.29	84.98	4165.49	84.41	3303.45	79.80	2434.89	72.37
Changes in Inventories of Finished Goods, WIP & Stock in trade	33.56	0.78	40.88	0.62	(86.38)	(1.75)	3.50	0.08	26.93	0.80
Employee Benefits Expenses	88.19	2.04	128.81	1.96	116.22	2.36	121.07	2.92	75.62	2.25
Finance Costs	268.24	6.21	211.41	3.22	193.41	3.92	107.11	2.59	128.87	3.83
Depreciation And Amortization Expense	89.69	2.07	52.26	0.80	65.99	1.34	57.47	1.39	43.19	1.28
Other Expenses	285.32	6.60	322.57	4.91	399.60	8.10	481.97	11.64	611.50	18.17
Total Expenses	4,177.66	96.65	6,337.22	96.49	4,854.33	98.37	4,074.57	98.43	3,321.00	98.70
Profit before exceptional and extraordinary items and tax	144.79	3.35	230.52	3.51	80.49	1.63	64.96	1.57	43.60	1.30
Exceptional/Prior Period item	--	--	--	--	--	--	--	--	--	--
Profit before extraordinary items and tax	144.79	3.35	230.52	3.51	80.49	1.63	64.96	1.57	43.60	1.30
Extraordinary item	--	--	--	--	--	--	--	--	--	--
Profit Before Tax	144.79	3.35	230.52	3.51	80.49	1.63	64.96	1.57	43.60	1.30
- Current Tax	44.70	1.03	52.30	0.80	27.95	0.57	14.81	0.36	15.31	0.46
- Deferred Tax Liability / (Asset)	2.23	0.05	28.34	0.43	(1.98)	(0.04)	(4.15)	(0.10)	4.65	0.14
Short/(Excess) Tax adjustment of prior years	-	0.00	(1.58)	(0.02)	0.00	0.00	2.68	0.06	(0.79)	(0.02)
Restated profit after tax for the period from continuing operations	97.86	2.26	151.46	2.31	54.52	1.10	51.62	1.25	24.43	0.73

Key Components of Company's Profit And Loss Statement

Revenue from Sale of Product: Revenue from operations mainly consists from Sales of Chemical & Alcohol Products.



Other Income: Other income primarily comprises of Interest Income & Gain on Sale of capital assets.

Expenses: Company's expenses consist of Cost of material consumed, change in inventories of finished goods, WIP & stock in trade, employee benefit expenses, administration & Other Expenses, finance costs, depreciation and amortization expenses.

Employee Benefits Expense: Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

Finance Costs: Finance cost comprises interest on Indebtedness, Bank charges.

Depreciation and Amortization Expense: We recognize Depreciation and Amortization expense on a WDV Method as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

Administration & Other Expenses: Other expenses includes freight charges, marketing exp., clearing and forwarding exp., power & fuel & state excise department expenses.

Financial Performance Highlights for the period ended 31st December, 2017

Total Income:

The company's total income during the stub period ended on 31st, December, 2017 was Rs. 4322.45 Lacs. The revenue from Sale of goods was Rs. 4321.65 Lacs which comprised 99.98% of company's total income for the stub period ended on 31st December, 2017.

Total Expenses:

The total expenditure during the stub period ended on 31st December, 2017 was Rs. 4177.66 Lacs. The total expenditure represents 96.65% of the total revenue. The total expenses are represented by Cost of material consumed, change in inventories of finished goods, WIP & stock in trade, employee benefit expenses, administration & Other Expenses, finance costs, depreciation and amortization expenses. The main constituent of total expenditure is Cost of material consumed of Rs. 3412.66 Lacs.

Profit/ (Loss) after tax:

The restated net profit during the stub period ended on 31st December, 2017 was Rs. 97.86 Lacs representing 2.26% of the total revenue of the Company.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2017 WITH FISCAL 2016

Total Income:

During the year 2016-17 the total revenue of the company increased to Rs. 6567.74 Lacs as against Rs. 4934.82 Lacs in the year 2015-16, representing an increase of 33.09 % of the total revenue. This increase was mainly due to increase in sales of products.

Other Income:

Other income of the Company for the year 2016-17 was Rs. 1.42 Lacs in comparison with NIL Lacs for F.Y. 2015-16.

Total Expenses:

The total expenditure for the year 2016-17 increased to Rs. 6337.22 Lacs from Rs. 4854.33 Lacs in year 2015-16, representing an increase of 30.55% to the previous year.

Cost of Material Consumed:

The Cost of material consumed comprises of Cost of Raw Material consumed. The said expenses increased to Rs. 5581.29 Lacs during the F.Y. 2016-17 from Rs. 4165.49 Lacs in the previous year 2015-16.



Changes in Inventories:

Changes in inventories comprises of changes in inventory of finished goods, Work in Progress & stock in trade. The said expenses increase to Rs. 40.88 Lacs during the F.Y. 2016-17 as against Rs. (86.38) Lacs in the previous year 2015-16.

Employee Benefits Expense:

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to Rs 128.81 Lacs during the F.Y. 2016-17 from Rs. 116.22 Lacs in the previous year 2015-16.

Finance Costs:

Finance cost for the year 2016-17 increased to Rs. 211.41 Lacs as against Rs. 193.41 Lacs of the year 2015-16.

Depreciation and Amortization Expense:

Depreciation for the year 2016-17 stood at Rs. 52.26 Lacs calculated at WDV method as per companies Act. For the year 2015-16 the same was Rs. 65.99 Lacs.

Administrative and other Expenses:

Other expenses includes freight charges, marketing exp., clearing and forwarding exp., power & fuel & state excise department expenses etc. These expenses decreased to Rs. 322.57 Lacs for the year 2016-17 as against Rs. 399.60 Lacs of the year 2015-16.

Profit/ (Loss) Before Tax

The company's profit before tax for F.Y. 2016-17 was Rs 230.52 Lacs as against Rs. 80.49 Lacs in the year 2015-16 representing an increase of 186.40% to the previous year.

Profit/ (Loss) After Tax

For the year 2016-17 the profit stood at Rs. 151.46 Lacs as against the profit of Rs. 54.52 Lacs for the year 2015-16, representing an increase of 177.81% to the previous year. This increase in profit after tax is happened due to increase turnover.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015

Total Income:

During the year 2015-16 the total revenue of the company increased to Rs. 4934.82 Lacs as against Rs. 4139.53 Lacs in the year 2014-15, representing an increase of 19.21 % of the total revenue. This increase was mainly due to increase in sales of products.

Other Income:

Other income of the Company for the year 2015-16 was Rs. NIL Lacs in comparison with 0.53 Lacs for F.Y. 2014-15.

Total Expenses:

The total expenditure for the year 2015-16 increased to Rs. 4854.33 Lacs from Rs. 4074.57 Lacs in year 2014-15, representing an increase of 19.14% to the previous year.

Cost of Material Consumed:

The Cost of material consumed comprises of Cost of Raw Material consumed. The said expenses increased to Rs. 4165.49 Lacs during the F.Y. 2015-16 from Rs. 3303.45 Lacs in the previous year 2014-15.



Changes in Inventories:

Changes in inventories comprises of changes in inventory of finished goods, Work in Progress & stock in trade. The said expenses decreased to Rs. (86.38) Lacs during the F.Y. 2015-16 as against Rs. 3.50 Lacs in the previous year 2014-15.

Employee Benefits Expense:

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses decreased to Rs 116.22 Lacs during the F.Y. 2015-16 from Rs. 121.07 Lacs in the previous year 2014-15.

Finance Costs:

Finance cost for the year 2015-16 increased to Rs. 193.41 Lacs as against Rs. 107.11 Lacs of the year 2014-15.

Depreciation and Amortization Expense:

Depreciation for the year 2015-16 stood at Rs. 65.99 Lacs calculated at WDV method as per companies Act. For the year 2014-15 the same was Rs. 57.47 Lacs.

Administrative and other Expenses:

Other expenses includes freight charges, marketing exp., clearing and forwarding exp., power & fuel & state excise department expenses etc. These expenses decreased to Rs. 399.60 Lacs for the year 2015-16 as against Rs. 481.97 Lacs of the year 2014-15.

Profit/ (Loss) Before Tax

The company's profit before tax for F.Y. 2015-16 was Rs 80.49 Lacs as against Rs. 64.96 Lacs in the year 2014-15 representing an increase of 23.91% to the previous year.

Profit/ (Loss) After Tax

For the year 2015-16 the profit stood at Rs. 54.52 Lacs as against the profit of Rs. 51.62 Lacs for the year 2014-15, representing an increase of 5.62% to the previous year. This increase in profit after tax is happened due to increase turnover.

COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014

Total Income:

During the year 2014-15 the total revenue of the company increased to Rs. 4139.53 Lacs as against Rs. 3364.60 Lacs in the year 2013-14, representing an increase of 23.03 % of the total revenue. This increase was mainly due to increase in sales of products.

Other Income:

Other income of the Company for the year 2014-15 was Rs. 0.53 Lacs in comparison with 0.67 Lacs for F.Y. 2013-14.

Total Expenses:

The total expenditure for the year 2014-15 increased to Rs. 4074.57 Lacs from Rs. 3321.00 Lacs in year 2013-14, representing an increase of 22.69% to the previous year.

Cost of Material Consumed:

The Cost of material consumed comprises of Cost of Raw Material consumed. The said expenses increased to Rs. 3303.45 Lacs during the F.Y. 2014-15 from Rs. 2434.89 Lacs in the previous year 2013-14.



Changes in Inventories:

Changes in inventories comprises of changes in inventory of finished goods, Work in Progress & stock in trade. The said expenses decreased to Rs. 3.50 Lacs during the F.Y. 2014-15 as against Rs. 26.93 Lacs in the previous year 2013-14.

Employee Benefits Expense:

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increased to Rs 121.07 Lacs during the F.Y. 2014-15 from Rs. 75.62 Lacs in the previous year 2013-14.

Finance Costs:

Finance cost for the year 2014-15 decreased to Rs. 107.11 Lacs as against Rs. 128.87 Lacs of the year 2013-14.

Depreciation and Amortization Expense:

Depreciation for the year 2014-15 stood at Rs. 57.47 Lacs calculated at WDV method as per companies Act. For the year 2013-14 the same was Rs. 43.19 Lacs.

Administrative and other Expenses:

Other expenses includes freight charges, marketing exp., clearing and forwarding exp., power & fuel & state excise department expenses etc. These expenses decreased to Rs. 481.97 Lacs for the year 2014-15 as against Rs. 611.50 Lacs of the year 2013-14.

Profit/ (Loss) Before Tax

The company's profit before tax for F.Y. 2014-15 was Rs 64.96 Lacs as against Rs. 43.60 Lacs in the year 2013-14 representing an increase of 48.99% to the previous year.

Profit/ (Loss) After Tax

For the year 2014-15 the profit stood at Rs. 51.62 Lacs as against the profit of Rs. 24.43 Lacs for the year 2013-14, representing an increase of 111.30% to the previous year. This increase in profit after tax is happened due to increase turnover.

Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:

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

1. Unusual or infrequent events or transactions

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations.

Except for any change in economic policy affecting the chemicals industry in India, there are no other significant economic changes that may materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.



Apart from the risks as disclosed under Section “Risk Factors” beginning on page 15 in the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

4. Future changes in relationship between costs and revenues

Our Company’s future costs and revenues will be determined by demand/supply situation in chemicals industry.

5. Increases in net sales or revenue and Introduction of new products or services or increased sales prices

Increases in revenues are by and large linked to increases in volume of our business.

6. Status of any publicly announced New Products or Business Segment

Since our Company has not announced any new Product so not Applicable.

7. Seasonality of business

Our Company’s business is seasonal in nature and our sales for comparatively in last two quarter of financial years due to requirements of chemicals in that particular period.

8. Dependence on few customers/ clients

The percentage of contribution of our Company’s Top Customers/Clients for the year ended December 31, 2017 is as follows:

Our Major Customers/ Clients for the year ended December 31, 2017

Name of the Clients	Amount (₹ in Lacs)	As % of total turnover
Dex-Vin Polymers Pvt. Ltd.	1,550.03	32.74
Unilever Industries (P) Ltd.	668.97	14.13
Aurobindo Pharma Ltd Unit I	328.11	6.93
Tailekan Qzee Ltd	250.30	5.29
Reliance Life Sciences Pvt. Ltd.	166.71	3.52
Hubergroup India Private Limited	154.65	3.27
Teva Api India Pvt. Ltd.	143.37	3.03
Aero Pharma (Silvassa)	126.55	2.67
3m India Limited	120.20	2.54
Msn Pharmachem Pvt Ltd	118.88	2.51
Total	3627.76	76.63

**The above value is inclusive of all applicable taxes and incidental expenses.*

Our Major Suppliers of Raw material for the year ended December 31, 2017

Name of Supplier	Amount (₹ in Lacs)	As % of total Purchase
S.S. Enterprises	1,532.05	35.55
Ajinkyatara SSK Ltd	638.84	14.82
Loknete Baburao Patil Agro Industries Limited	507.20	11.77
The Malegaon S S K Ltd	307.02	7.12
Bhairavnath Sugar Works Ltd	266.73	6.19
Rajarambapu Patil SSK Ltd Rajaramnagar	182.57	4.24
Fabtech Sugar Pvt Ltd	151.95	3.53
Snehjyot Corporation	101.81	2.36
Optimus Advisory Services P. Ltd.	85.25	1.98
Tilaknagar Industries Ltd	51.33	1.19



Total	3824.76	88.75
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**The above value is inclusive of all applicable taxes and incidental expenses.*

9. Competitive conditions

Competitive conditions are as described under the Chapters “Industry Overview” and “Our Business” beginning on pages 79 and 95, respectively of the Draft Prospectus.

10. Details of material developments after the date of last balance sheet i.e. December 31st, 2017

Except as disclosed in this Draft Prospectus, no circumstances have arisen since the date of last financial statement until the date of filing the Draft Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

**SECTION VI – LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATION AND MATERIAL DEVELOPEMENT**

Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act) against our Company, Promoter, Group Companies and Directors as of the date of this Draft Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.

Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2009 as amended for disclosure of all pending litigation involving our Company, holding, Directors, Promoters and Group Companies, other than criminal proceedings and statutory or regulatory actions, would be considered 'material' if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of Rs. 1,00,000/- and where the amount is not quantifiable, such pending cases are material from the perspective of the company's business, operations, prospects or reputation.

The Company has policy for identification of material outstanding dues to creditors in terms of the SEBI (ICDR) Regulations, 2009 as amended for creditors where outstanding dues to any one of them exceeds Rs. 1,00,000/- .

PART 1: CONTINGENT LIABILITIES OF OUR COMPANY

Particulars	Amount (in Lacs)
Contingents Liabilities and Commitments	7.63
Total	7.63

PART 2: LITIGATION RELATING TO OUR COMPANY**A. FILED AGAINST OUR COMPANY****1) Litigation involving Criminal Laws**

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability**i. Direct Tax****(a) Income Tax:**

S.No.	Assessment Year	Demand under Section	Amount (in Lacs)	Date of Demand	Demand Identification Number
1.	2015-16	Section 154	151.01	31/12/2017	2017201510159776496C

ii. Indirect Tax

S. No.	Nature of the Case	Period	Forum where dispute is pending	Amount (in Lacs)
1.	Central Sales Tax Demand	2007-08	Maharashtra VAT Department	7.63



4) Other Pending Litigation

S.No.	Case Number	Nature of the Case	Forum where dispute is pending	Details
1.	S.C.C/419644/2015	Under Section 92 of Maha. Factories Act.	Additional Chief Judicial Magistrate, Pune	The Case is filed by State of Maharashtra through Irfan Shakur Khan on Jayant Shamrao Arbatti (Sterling Chemicals and Alcohols Pvt. Ltd.). The case was registered on November 06, 2015 under Maha factories Act. The Case is pending for further processing under Additional Chief Judicial Magistrate, Pune. Next hearing date is March 01, 2018
2.	S.C.C/419643/2015	Under Section 92 of Maha. Factories Act.	Additional Chief Judicial Magistrate, Pune	The Case is filed by State of Maharashtra through Irfan Shakur Khan on Jayant Shamrao Arbatti (Sterling Chemicals and Alcohols Pvt. Ltd.). The case was registered on November 06, 2015 under Maha factories Act. The Case is pending for further processing under Additional Chief Judicial Magistrate, Pune. Next hearing date is March 01, 2018

B. CASES FILED BY OUR COMPANY

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

NIL

4) Other Pending Litigation

S.No.	Case Number	Nature of the Case	Forum where dispute is pending	Details
1.	Case No. WP/6305/2015	Indian Penal Code	High Court of Bombay	The Case is filed by Sterling Chemicals and Alcohols Pvt. Ltd. on State of Maharashtra. The case was registered on July 06, 2015 under Indian Penal Code. The Case is pending for further processing under Hon'ble the chief Justice.

PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY

A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS

1) Litigation involving Criminal Laws

2) Litigation Involving Actions by Statutory/Regulatory Authorities



NIL

3) Litigation involving Tax Liability

4) Other Pending Litigation

NIL

B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

NIL

4) Other Pending Litigation

NIL

PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES

A. LITIGATION AGAINST OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities

NIL

3) Litigation involving Tax Liability

Direct Tax- NIL

Indirect Tax - NIL

4) Other Pending Litigation

NIL

B. LITIGATION FILED BY OUR GROUP COMPANIES

1) Litigation involving Criminal Laws

NIL

2) Litigation Involving Actions by Statutory/Regulatory Authorities



NIL

3) Litigation involving Tax Liability

Direct Tax – NIL
Indirect Tax - NIL

4) Other Pending Litigation

NIL

PART 6: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS

There are no disputes with such entities in relation to payments to be made to our Creditors. The details pertaining to amounts due towards such creditors are available on the website of our Company.

Below are the details of the Creditors where outstanding amount as on December 31, 2017:-

Name	Balance as on 31.12.2017 (in Lacs)
Total Outstanding dues to Micro and Small & Medium Enterprises	--
Total Outstanding dues to Creditors other than Micro and Small & Medium Enterprises	198.80

PART 7: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled “Management’s Discussion & Analysis of Financial Conditions & Results of Operations” beginning on page 173, there have been no material developments that have occurred after the Last Balance Sheet Date.

**GOVERNMENT AND OTHER APPROVALS**

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Draft Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake this Issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the Issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

APPROVALS FOR THE ISSUE

S.No.	Name of Approvals
1.	Our Company has received in- principle approval from the SME Platform of BSE dated [●] for using the name of the Exchange in its offer document for listing of Equity Shares on SME Platform.
2.	Our Board of Directors have, pursuant to a resolution passed at its meeting held on December 18, 2017 authorized the Fresh Issue of Equity shares subject to the approval of the shareholders of our Company and such other authorities as may be necessary.
3.	The Fresh Issue of Equity Shares has been authorized by a special resolution adopted at the Extra-Ordinary General Meeting of shareholders held on January 10, 2018.

APPROVALS/LICENSES/PERMISSIONS PROCURED TO CONDUCT OUR BUSINESS**A. Incorporation related Approvals:**

S.no.	Nature of Registration/ License	Registration/Licence No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Incorporation as 'Sterling Chemicals and Alcohols Private Limited'	U24116MH1991PT C062354	Companies Act, 1956	Registrar of Company, Maharashtra.	July 4, 1991	Valid till cancelled
2.	Fresh Certificate of Incorporation consequent upon conversion of company to 'Sterling Chemicals and Alcohols Limited'	U24116MH1991PL C062354	Companies Act, 2013	Registrar of Companies, Pune.	October 16, 2017	Valid till cancelled

B. Taxation Related& Other Approvals:

S.No	Nature of Registration/ License	Registration/Licence No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Permanent Account Number (PAN)	AAECS2403A	Income Tax Act, 1961	Commissioner of Income Tax	Valid till cancelled
2.	TAN (Tax Deduction Account Number)	PNES06114D	Income Tax Act 1961	Income Tax Department	Valid till cancelled



3.	Certificate of Importer-Exporter Code (IEC)	3197032225	The Foreign Trade(Development& Regulation) Act, 1992	Foreign Trade Development Officer, Office of Jt. Director General of Foreign Trade	Valid cancelled till
4.	Value Added Tax Registration Certificate	27500410468V	The Maharashtra Value Added Tax Act, 2002	Commercial Tax Department	Valid cancelled till
5.	Central Sales tax Registration Certificate	27500410468C	The Central Sales Tax (Registration & Turnover Rules, 1957)	Commercial Tax Department	Valid cancelled till
6.	Service Tax Registration (Taxable Services: Transport of Goods by Road)	AAECS2403AST001	The Finance Act, 1994	Superintendent of Central Excise	Valid cancelled till
7.	Central Excise Registration Certificate	AAECS2403AXM001	The Central Excise Rules, 2001	Central Excise Department	Valid cancelled till
8.	Goods and Service Tax Number	27AAECS2403A1Z1	The Good and Service Tax Act, 2017	The Government of India	Valid cancelled till
9.	Maharashtra State Tax on Professions, Trade, Callings and Employment registration	27500410468P	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Office (C-002) Pune	Valid till cancelled

C. Technical & Business Approvals (Gat No. 943/1A/1 & 943/1A/1/2 Village, Sanawadi, Taluka Shirur, District Pune.)

S. No.	Nature of Registration/ License	Registration / License No.	Applicable Laws	Issuing Authority	Date of Expiry
1.	Factory License (License for setting up and operating Factory)	088744	The Factories Act, 1948	Director Industrial Safety and Health Maharashtra State, Mumbai	Valid till 31, December 2020
2.	Shop Establishment Act, 1948, Maharashtra	SHIVAJI/II/15053	Under The Shop Establishment Rule 6 of 1948 Maharashtra	Superintendent of Maharashtra 1948	Valid till 25.05.2018
3.	License for Buy Store Inbound and sell by Wholesale of Rectified Spirit including Absolute Alcohol	1/2017-18	Under Rule 38 of the Bombay Prohibition Act, 1949	Superintendent State Excise, Pune	Valid till 31.03.2018
4.	License for Bottling of Rectified Spirit including Absolute Alcohol	1/2017-18	Under Rule 45 of the Bombay Prohibition Act, 1949	Superintendent State Excise, Pune	Valid till 31.03.2018
5.	License for Buy, Possess, Transport and use of ordinary denatured spirit	11/2017-18	Under Rule 26(3) of the Bombay Prohibition Act, 1949	Superintendent State Excise, Pune	Valid till 31.03.2018
6.	License for Manufacture of Absolute Alcohol from rectified Spirit	199/2017-18	Under Rule 5(1)(b) of the Bombay	Superintendent State Excise, Pune	Valid till 31.03.2018



			Prohibition Act, 1949		
7.	Consent to establish Under Section 25 of the Water Prevention & Control of Pollution Act, 1974, Section 21 of Air Prevention & Control of Pollution Act, 1981 and Rule 5 of Hazardous Wastes (Management, Handling & Transboundary Movement) Rules 2008	RO-Pune-Consent/703 000914	Water Prevention & Control of Pollution Act, 1974	Maharashtra Pollution Control Board Regional Office, Pune	Valid upto commission of the project or 5 years whichever is earlier.
8.	D.G. Set Permission for 200 KVA	05852	Under Rule 32 A	Electricity Department (Under Electricity Authority Exchange), 2010	Valid till cancel

The Details of Domain Name registered on the name of the Company is:-

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Registrant Name	Creation Date	Registration Expiry Date
1.	Domain Name: www.scapl.net Registry Domain ID: 1885567570_DOMAIN_NET-VRSN	Registrar: Net 4 India Limited Registrar IANA ID: (1007)	Registrant Name: Sterling Chemicals and Alcohols Private Limited	16-11-2014	16-11-2018



OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Fresh Issue

The Board of Directors, pursuant to a resolution passed at their meeting held on December 18, 2017 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary. The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on January 10, 2018 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of BSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated [●] BSE is the Designated Stock Exchange.

Prohibition by SEBI or governmental authorities

We confirm that there is no prohibition on our Company, our Promoters, our Promoters Group, our Directors, our Group Companies or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoters, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

Association with Securities Market

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

Prohibition by RBI

Neither our Company, our Promoters, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter “Outstanding Litigations and Material Development” beginning on page 187 of the Draft Prospectus.

Eligibility for the Issue

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted Company” in terms of the SEBI (ICDR) Regulations; and this Issue is an “Initial Public Offer” in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 106(M) (2) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an company whose post Issue paid up capital will be more than Rs.10 crore and upto twenty five crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "SME Platform of BSE (BSE SME)).

We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this Issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "General Information – Underwriting" beginning on page 44 of this Draft Prospectus.



2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Issue Document with SEBI nor has SEBI issued any observations on our Issue Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the LM and will enter into agreement with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of BSE. For further details of the arrangement of market making please refer to section titled "General Information – Details of the Market Making Arrangements for this Issue" beginning on page 44 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

Our Company is also eligible for the Issue in accordance with eligibility norms for listing on SME Exchange Platform BSE laid down under circular dated April 1, 2015 (<http://www.bsesme.com/static/getlisted/criteriaisting.aspx?expandable=0>), which states as follows:

1. Net Tangible Assets of at least ₹ 3 Crore as per the latest audited financial results (as restated).
2. Net worth (excluding revaluation reserves) of at least ₹ 3 crore as per the latest audited financial results (as restated).
3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 5 Crores.
4. Distributable Profit, Net Tangible Assets and Net worth of the Company as per the restated financial statements for the period ended December 31, 2017 and for the year ended March 31, 2017, March 31, 2016, and March 31, 2015, is as set forth below:-

Particulars	(Amt in Lacs)			
	December 31, 2017	March 31, 2017	March 31, 2016	March 31, 2015
Distributable Profit*	97.86	151.46	54.52	51.62
Net Tangible Assets**	1074.18	974.09	794.29	741.75
Net Worth***	1040.41	942.54	791.09	736.57

* Distributable Profit has been calculated as per Section 123 of Companies Act, 2013

** Net Tangible Assets are defined as the sum of all net assets of the Company, excluding intangible assets as defined in Accounting Standard 26 issued by the Institute of Chartered Accountants of India. As is evident, our company has Net Tangible Assets of over ₹ 3 crore.

*** Net worth includes shares capital and Reserves (Excluding Revaluation Reserve) Less Miscellaneous Expenditure not written off, if any, & Debit Balance of Profit and Loss Account not wrote off, if any. As is evident, our Company has a Net Worth of over ₹ 3 Crores.

5. The Post Issue paid up capital of our Company shall be at least ₹ 3 Crore. As detailed in chapter "Capital Structure" on page 52 of



this Draft Prospectus our Company will have a post issue capital of ₹ 12,16,61,250 (Rupees Twelve Crore Sixteen Lakhs sixty one thousand and two hundred fifty only)

6. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company will enter into an agreement for registration with the Central Depository Services Limited (CDSL) dated [●] and National Securities Depository Limited (NSDL) dated [●] for establishing connectivity.
7. Our Company has a website i.e. www.scapl.net
8. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
9. No material regulatory or disciplinary action has been taken by any stock exchange or regulatory authority in the past three years against the Company.
10. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
11. There has been no change in the promoter/s of the Company in the preceding one year from date of filing application to BSE for listing on SME segment.

We confirm that we comply with all the above requirements / conditions so as to be eligible to be listed on the SME Platform of the BSE.

Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF ISSUE DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 ISSUE DOCUMENT. THE LEAD MERCHANT BANKER, CORPORATE CAPITAL VENTURES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE ISSUE DOCUMENT 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 COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE ISSUE DOCUMENT, THE LEAD MERCHANT BANKER, CORPORATE CAPITAL VENTURES PRIVATE LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] WHICH READS AS FOLLOWS:

WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT PROSPECTUS PERTAINING TO THE SAID ISSUE**



2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**
 - A. **THE DRAFT PROSPECTUS FILED WITH THE EXCHANGE 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 THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
 - C. **THE DISCLOSURES MADE IN THE DRAFT PROSPECTUS 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, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
5. **WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT PROSPECTUS.**
6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT PROSPECTUS.**
7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 AUDITORS' 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 THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**
8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY 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 HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 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 PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALIZED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 PROSPECTUS:
 - A. AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND
 - B. AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (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 PROSPECTUS 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 BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE DRAFT PROSPECTUS.

ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH ISSUE DOCUMENT REGARDING SME EXCHANGE

1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.



2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN DRAFT PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES ISSUED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - NOTED FOR COMPLIANCE.
4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE COMPANY - NOTED FOR COMPLIANCE.
5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT PROSPECTUS. - NOT APPLICABLE
6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.

Note:

The filing of this Draft Prospectus does not, however, absolve our company from any liabilities under section 34, section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and / or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Draft Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Pune Maharashtra in terms of sections 26, 32 and 33 of the Companies Act, 2013.

Statement on Price Information of Past Issues handled by Corporate Capitalventures Pvt. Ltd.:

Sr. No.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Openi ng Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Shish Industries Limited	4.06	30.00	05-09 2017	32.00	-11.99% [-2.70]	-15.33% [20.71%]	--
2.	Ratnabhumi Developers Limited	23.31	63.00	14-12-2017	63.45	-34.70 [10.06]	--	--
3.	Touchwood Entertainment Limited	4.21	40.00	21-12-2017	43.50	50.94 [6.31]	--	--
4.	SMVD Poly Pack Limited	9.02	55.00	26-12-2017	58.00	-20.43 [3.21]	--	--

Source: Price Information www.bseindia.com & www.nseindia.com , Issue Information from respective Prospectus.



Summary statement of Disclosure:

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 th calendar days from listing			No. of IPOs trading at Premium- 30 th calendar days from listing			No. of IPOs trading at discount- 180 th calendar days from listing			No. of IPOs trading at Premium- 180 th calendar days from listing		
			Over 50%	Bet ween 25- 50%	Less than 25%	Over 50%	Bet ween 25- 50%	Less than 25%	Over 50%	Bet ween 25- 50%	Less than 25%	Over 50%	Bet ween 25- 50%	Less than 25%
2014-15	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2015-16	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2016-17	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2017-18	4	40.60	--	1	2	1	--	--	--	--	--	--	--	--

Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- Prices on BSE/BSE are considered for all of the above calculations.
- In case 30th /90th /180th day is not a trading day, closing price on BSE/BSE of the next trading day has been considered.
- In case 30th /90th /180th day, scrips are not traded then last trading price has been considered.
- N.A. –Period not completed.

Track Record of past issues handled by Corporate Capitalventures Pvt. Ltd.

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: www.ccwindia.com

Disclaimer from our Company, Directors and the Lead Manager

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM and our Company on January 30, 2018 and the Underwriting Agreement dated January 30, 2018 entered into between the Underwriters, and our Company and the Market Making Agreement dated January 30, 2018 entered into among the Market Maker, LM and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

Note

Applicants who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer



the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Pune Maharashtra, India only.

No action has been, or will be, taken to permit a public Offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause of the SME Platform of BSE

BSE Ltd. ("BSE") has given vide its letter dated [●] permission to our Company to use its name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed on the SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter for granting the aforesaid permission to this Company. BSE does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- ii. Warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- iii. Take any responsibility for the financial or other soundness of this Company, its Promoters, its management or any scheme or project of this Company;

And it should not for any reason be deemed or construed that this offer document has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities in this Company may do so pursuant to independent inquiry, investigations and analysis and shall not have any claim against BSE whatsoever by reason of loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside



India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

Filing

The Draft Prospectus/ Prospectus are being filed with BSE Limited, P.J. Towers Dalal Street Fort, Mumbai-400001, Maharashtra

A copy of this Draft Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the issue document in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Securities and Exchange Board of India, SEBI Western Regional Office, Plot No.C4-A, 'G' Block Bandra-Kurla Complex, Bandra (East), Mumbai - 400051, Maharashtra for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies PMT Building, Pune Stock Exchange, 3rd Floor, Deccan Gymkhana, Pune - 411004

Listing

The Equity Shares of our Company are proposed to be listed on SME Platform of BSE. Our Company has obtained in-principle approval from BSE by way of its letter dated [●] for listing of equity shares on SME Platform of BSE.

BSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by BSE, our Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of this Draft Prospectus.

If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period. Subject to applicable law.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer,



Our Statutory Auditor ,Our Peer Review Auditor, Our Banker to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue*, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the issue to act in their respective capacities have been obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

**The aforesaid will be appointed prior to filing of the Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/S. S.J. Kholam & Co., Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and M/s C.P. Jaria & Co. Peer Review Auditor for restated financial statements as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus.

Experts Opinion

Except for the reports in the section “Financial information of the Company” and “Statement of Tax Benefits” on page 141 and page 77 of this Draft Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 105.00 Lacs which is 8.44% of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB’s commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The Estimated Issue expenses are as under:-

Particulars	Expenses	As a % of total expenses	As a % of Issue
Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc. and other out of pocket expenses*	30.00	28.57	2.41
Printing & Stationery, Distribution and Postage expenses etc	2.00	1.90	0.61
Advertising and Marketing Expenses	65.00	61.90	5.22
Statutory & Regulatory Fees and other expenses	8.00	7.62	0.64
Total estimated Issue Expenses*	105.00	100.00	8.44

**Included Commission/ processing fees for SCSB, Brokerage and selling commission for Registered Brokers, RTA’s and CDPs*

Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Agreement dated January 30, 2018 with the Lead Manager (ii) the Underwriting Agreement dated January 30, 2018 with the Underwriter and (iii) the Market Making Agreement dated January 30, 2018 with Market Maker, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN and printing of bulk mailing register will be as per the agreement between our Company and the Registrar to the Issue dated January 29, 2018 a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and



communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/speed post.

Particulars regarding Public or Rights Issues during the last five (5) years

For detailed description please refer to section titled "Capital Structure" beginning on page 52 of this Draft Prospectus. Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

Previous issues of Equity Shares otherwise than for cash

For detailed description please refer to section titled "Capital Structure" beginning on page 52 of this Draft Prospectus.

Underwriting Commission, brokerage and selling commission on Previous Issues

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company

Except as stated in the chapter titled "Capital Structure" beginning on page 52 of this Draft Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies or associates of our Company are listed on any stock exchange.

Performance vis-a-vis objects - Last Issue of Group/Associate Companies

All of our Group / Associate body corporate are unlisted and have not made a public issue of shares.

Outstanding Debentures or Bond Issues or Redeemable Preference Shares

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Draft Prospectus.

Outstanding Convertible Instruments

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

Option to Subscribe

Equity Shares being issued through the Draft Prospectus can be applied for in dematerialized form only.

Stock Market Data of the Equity Shares

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

Mechanism for Redressal of Investor Grievances

The Agreement amongst the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) year from the last date of dispatch of the letters of allotment, or demat credit, to enable the investors to



approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted.

The Applicants should give full details such as name of the sole/ first applicant, application Form number, DP ID, Client ID, PAN, date of the Application Form, address, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted. Further, the Applicant shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company will constitute Stakeholders Relationship Committee in the meeting of our Board of Directors before listing of Equity Shares on Stock Exchange. For further details on the Committees, please refer to section titled "Our Management" beginning on page 122 of this Draft Prospectus.

Our Company has appointed Ms. Shalini Agrawal, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Shalini Agrawal

GAT No. 943/1A/1, 943/1A/1/2 Sanaswadi, Taluka Shirur,

Pune 412208, Maharashtra. India.

Tel. No. +91-021-37252496, 37252901,

E-mail: cs@scapl.net

Website: www.scapl.net

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website www.scores.gov.in

Status of Investor Complaints

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

Disposal of investor grievances by listed companies under the same management as our Company

For details, see the chapter "Our Group Companies" beginning on page 139 of this Draft Prospectus.

Change in Auditors during the last three (3) years

Except for completion of tenure of our Statutory Auditor S.K Naredi & Co. and appointment of M/s. S.J. Kholam & Co., Chartered Accountant as Statutory Auditor of the Company and M/s C.P. Jaria & Co. as peer review auditor to the existing auditor, there have been no changes in our Company's auditors in the last three (3) years.



Capitalization of Reserves or Profits

Except as disclosed under section titled "Capital Structure" beginning on page 52 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

Revaluation of Assets

Our Company has not revalued its assets in five (5) years preceding the date of this Draft Prospectus.

Tax Implications

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "Statement of Tax Benefits" beginning on page 77 of this Draft Prospectus.

Purchase of Property

Other than as disclosed in Section "Our Business" on page 95 of the Draft Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Draft Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Draft Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

Servicing Behavior

Except as stated in this Draft Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

Payment or benefit to officers of Our Company

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

Except as disclosed in chapter titled "Our Management" beginning on page 122 and "Annexure R – Statement of Related Party Transactions" beginning on page 165 of the Draft Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.



SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

For details in relation to Issue expenses, see “Objects of the Issue” and “Other Regulatory and Statutory Disclosures” on pages 68 and 194, respectively.

Authority for the Issue

The present Public Issue of 36,60,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on December 18, 2017 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on January 10, 2018 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to "Main Provisions of Articles of Association of the Company" on page 256 of the Draft Prospectus.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “Dividend Policy” on page 140 of the Draft Prospectus.

Face Value and Issue Price

The Equity Shares having a Face Value of ` 10.00 each are being offered in terms of the Draft Prospectus at the price of ` 34.00 per equity Share (including premium of ` 24.00 per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled “Basis for Issue Price” on page 74 of the Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

Compliance with the disclosure and accounting norms

Our Company shall comply with all requirements of the SEBI ICDR Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & notices to members;



- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Main Provisions of Articles of Association of the Company” beginning on page 256 of the Draft Prospectus.

Minimum Application Value, Market Lot and Trading Lot

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Tripartite Agreement dated [●] between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated [●] between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of 4000 Equity Shares and the same may be modified by the SME platform of BSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of 4000 Equity Shares and is subject to a minimum allotment of 4000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Minimum Number of Allottees

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

Joint Holders

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

Nomination Facility to Investor

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.



In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 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.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (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.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Period of Operation of Subscription List of Public Issue

ISSUE OPENS ON	[●]
ISSUE CLOSSES ON	[●]

Minimum Subscription

In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Prospectus and shall not be restricted to the minimum subscription level.

As per section 39 of the Companies Act 2013, if the “stated minimum amount” has not been subscribed and the sum payable on Application is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, in accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)

Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Arrangements for disposal of odd lots

The trading of the Equity Shares will happen in the minimum contract size of 4000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.



Application by Eligible NRIs, FPIs or VCFs registered with SEBI

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled "Capital Structure" beginning on page 52 of the Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading "Main Provisions of the Articles of Association" on page 256 of the Draft Prospectus.

The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

Option to receive Equity Shares in Dematerialized Form

As per section 29(1) of the new Companies Act 2013, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

Migration to Main Board

In accordance with the BSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the BSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the BSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of BSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 Crore by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the Company has obtained in-principal approval from the main board), we shall have to apply to BSE for listing our shares on its main board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the main board or



- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crore and up to ₹ 25.00 Crore, our company may still apply for migration to the Main Board. If our Company fulfils the eligibility criteria for listing laid down by the Main Board of BSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Market Making

The shares offered through this Issue are proposed to be listed on the SME platform of BSE, wherein the Lead Manager to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the SME platform of BSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "General Information - Details of the Market Making Arrangements for this Issue" on page 44 of the Draft Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012; it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue size	Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)
Upto ₹20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the ROC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Pune, Maharashtra, India.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.



ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (2) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crore and upto ₹ 25 Crore, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("SME Exchange", in this case being the SME Platform of BSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "Terms of the Issue" and "Issue Procedure" on page 207 and 214 of the Draft Prospectus.

The Issue comprise of a Public Issue of 36,60,000 Equity Shares of Face Value of ₹ 10/- each fully paid (The "Equity Shares") for cash at a price of ₹34/- per Equity Shares (*including a premium of ₹24/- per equity share*) aggregating to ₹ 1244.40 lakhs ("*the issue*") by our Company of which 1,88,000 Equity Shares of ₹10/- each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of 34,72,000 Equity Shares of ₹ 10/- each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 30.08% and 28.54% respectively of the post issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Fixed Price Issue Process

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	34,72,000 Equity Shares	1,88,000 Equity Shares
Percentage of Issue Size available for allocation	94.86% of the Issue Size	5.14% of the Issue Size
Basis of Allotment	Proportionate subject to minimum allotment of 4000 Equity Shares and further allotment in multiples of 4000 Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 246 of this Draft Prospectus.	Firm Allotment
Mode of Application	All the applications shall make the application (Online or Physical) through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Minimum Application Size	<p><u>For Other than Retail Individual Investors:</u> Such number of Equity Shares in multiples of 4000 Equity Shares at an Issue price of ₹34.00 each, such that the Application Value exceeds ₹ 2.00 Lakh.</p> <p><u>For Retail Individuals Investors:</u> 4000 Equity Shares at an Issue price of ₹ 34.00 each</p>	1,88,000 Equity Shares
Maximum Application Size	<p><u>For Other than Retails Individual Investors:</u> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable.</p> <p><u>For Retail Individuals Investors:</u> Such number of Equity Shares in multiples of 4000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-</p>	1,88,000 Equity Shares
Trading Lot	4000 Equity Shares	4000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.



Application lot Size	4000 Equity Shares thereafter Equity Shares and in multiples of 4000
Terms of Payment	Full Application Amount shall be blocked by the SCSBs in the bank account of the ASBA Applicant that is specified in the Application Form at the time of submission of the Application Form.

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “Issue Structure” on page 212 of the Draft Prospectus.

*As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, as present issue is a fixed price issue ‘the allocation’ in the net offer to the public category shall be made as follows:

- a) Minimum fifty percent to retail individual investors; and
- b) Remaining to
 - (i) Individual Applicant other than retail Individual Investors; and
 - (ii) other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
- c) The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

If the retail individual investor category is entitled to more than fifty percent on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

Withdrawal of the Issue

The Company in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If the Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, the Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

Issue Programme

ISSUE OPENING DATE	[●]
ISSUE CLOSING DATE	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, .On the Issue Closing Date when applications will be accepted only between 10.00 a.m. to 4.00 p.m. (Indian Standard Time).

Due to limitation of time available for uploading the application on the Issue Closing Date, Applicants are advised to submit their applications one day prior to the Issue Closing Date and, in any case, not later than 1.00 p.m. IST on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of applications are received on the Issue Closing Date, as is typically experienced in public offerings, some applications may not get uploaded due to lack of sufficient time. Such applications that cannot be uploaded will not be considered for allocation under this Issue.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



ISSUE PROCEDURE

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) included below under section “-PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Draft Prospectus.

PART A

Fixed Price Issue Procedure

The Issue is being made under Regulation 106(M) (2) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.

Application Form

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed color of the Application Form for various categories applying in this issue is as follows:



Category	Color*
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

* *Excluding electronic Application Form*

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number.

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

For Applications submitted by Investors to SCSB:	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
For applications submitted by investors to intermediaries other than SCSBs:	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

Availability of Prospectus and Application Forms

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com.

Who can apply?

In addition to the category of Applicants as set forth under “General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:



- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

Applications not to be made by:

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

MAXIMUM AND MINIMUM APPLICATION SIZE

1. For Retail Individual Applicants

The Application must be for a minimum of 4000 Equity Shares and in multiples of 4000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2, 00,000.

2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs.2,00,000 and in multiples of 4000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs.2,00,000 for being considered for allocation in the Non-Institutional Portion.

Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.

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

Participation by Associates /Affiliates of LM and the Syndicate Members

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Option to Subscribe in the Issue

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.



- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

Information for the Applicants:

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Copies of the Application Form and the abridged prospectus will be available at the offices of the Lead Manager, the Designated Intermediaries, and Registered Office of our Company. An electronic copy of the Application Form will also be available for download on the websites of the BSE (www.bseindia.com), the SCSBs, the Registered Brokers, the RTAs and the CDPs at least one day prior to the Issue Opening Date.
5. Any applicant who would like to obtain the Prospectus and/ or the Application Form can obtain the same from our Registered Office.
6. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
7. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
8. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account.
9. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
10. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
11. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.



Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

Applications by eligible NRIs/ FPI's on Repatriation Basis

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
 - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
 - b) Nothing contained in clause (a) shall apply to:
 - ❖ Any transactions in derivatives on a recognized stock exchange;
 - ❖ Short selling transactions in accordance with the framework specified by the Board;



- ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - ❖ Any other transaction specified by the Board.
- c) No transaction on the stock exchange shall be carried forward;
- d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
- i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
 - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
 - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depositary Receipts or Global Depositary Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
 - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
 - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - viii. Any other transaction specified by Board.
- e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority
- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:



Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 % of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Application by Mutual Funds

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

Applications by Limited Liability Partnerships

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.



Applications by Insurance Companies

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

Applications under Power of Attorney

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

Application by Provident Funds/Pension Funds

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.



The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

Method and Process of Applications

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Terms of payment

The entire Issue price of Rs. 34 per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.



The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

Payment mechanism

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.

Electronic Registration of Applications

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
 - i. the applications accepted by them,
 - ii. the applications uploaded by them
 - iii. the applications accepted but not uploaded by them or
 - iv. with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
 - (i) The applications accepted by any Designated Intermediaries
 - (ii) The applications uploaded by any Designated Intermediaries or
 - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol



2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
 - Name of the Applicant;
 - IPO Name;
 - Application Form Number;
 - Investor Category;
 - PAN (of First Applicant, if more than one Applicant);
 - DP ID of the demat account of the Applicant;
 - Client Identification Number of the demat account of the Applicant;
 - Number of Equity Shares Applied for;
 - Bank Account details;
 - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
 - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.



14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

Allocation of Equity shares

- 1) The Issue is being made through the Fixed Price Process wherein 1,88,000 Equity Shares shall be reserved for Market Maker and 17,36,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and Filing of Prospectus with ROC

- a) Our company has entered into an Underwriting Agreement dated January 30, 2018.
- b) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

Issuance of Allotment Advice

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

General Instructions

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;



- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five applications from one ASBA account.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Instructions for Completing the Application Form

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of



applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centers for collecting the application shall be disclosed is available on the websites of BSE i.e. www.bseindia.com and NSE i.e. www.nseindia.com

Applicant's Depository Account and Bank Details

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Submission of Application Form

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

Issuance of a Confirmation of Allocation Note ("CAN") and Allotment in the Issue

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the SCSBs a list of their Applicants who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN or send intimation via E-mail to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of a CAN or send intimation via E-mail shall be deemed a valid, binding and irrevocable contract for the Applicant.

Communications

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

Disposal of Application and Application Moneys and Interest in Case of Delay

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.



In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

Right to Reject Applications

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

Undertakings by Our Company

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;

Utilization of Issue Proceeds

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.



- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

Equity Shares in Dematerialized Form with NSDL or CDSL

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated [●] between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated [●] between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. [●]



PART B

GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

Section 1: Purpose of the General Information Document (GID)

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

Section 2: Brief Introduction to IPOs on SME Exchange

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation.

2.2 Other Eligibility Requirements

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act,



2013 as may be applicable (“the Companies Act), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (2) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible Assets of at least Rs. 3 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 3 crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years or it should have net worth of atleast Rs. 5 crores.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 3crore.
- i) The issuer shall mandatorily facilitate trading in demat securities.
- j) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The company should have a website.
- n) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to BSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(2) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed `2,500 Lakh. Company also complies with the eligibility conditions laid by the SME Platform of BSE for listing of our Equity Shares.



2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.4 Issue Period

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

2.5 Migration To Main Board

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

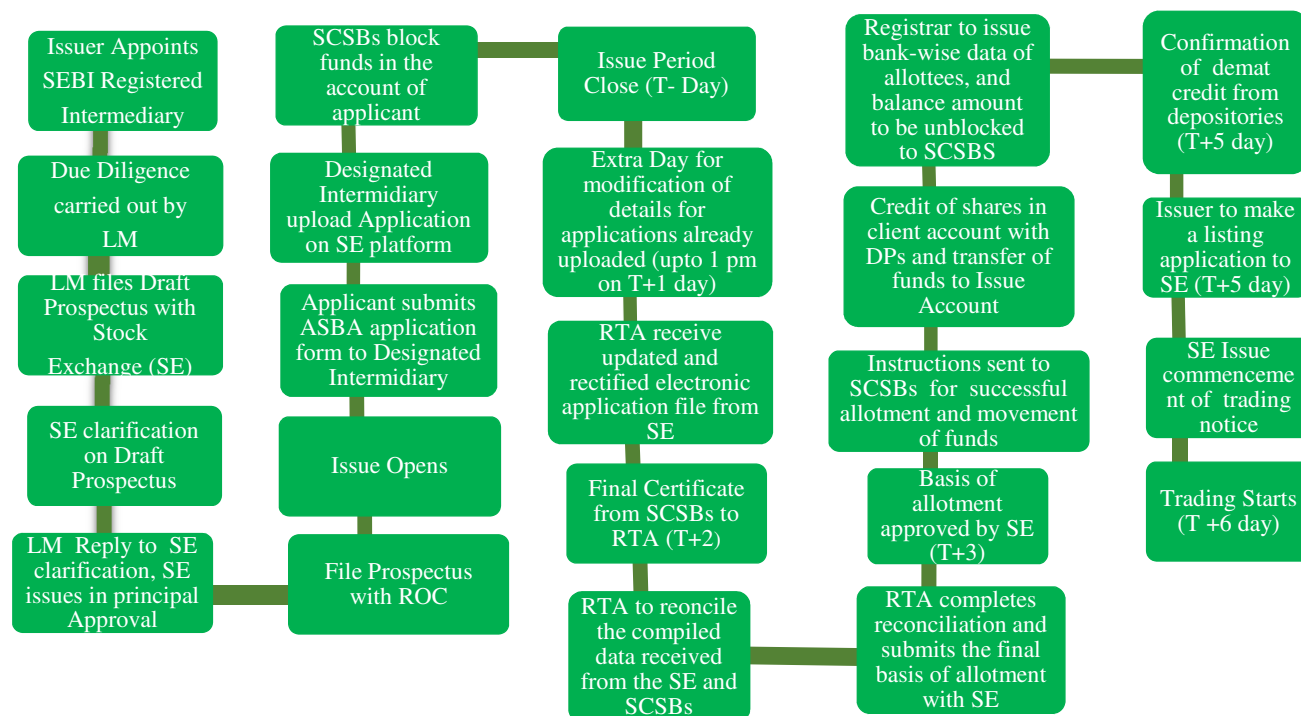
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

2.6 Flowchart Of Timelines

A flow chart of process flow in Fixed Price Issues is as follows:



Section 3: Category of Investors Eligible to Participate in an Issue

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;



- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

Section 4: Applying in the Issue

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application*
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue

* Except in online Application

Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:



Sterling Chemicals and Alcohols Limited

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.	

LOGO TO, THE BOARD OF DIRECTORS XYZ LIMITED

BOOK BUILT ISSUE
ISIN :

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms.
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	Address
		Email
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	Tel. No (with STD code) / Mobile
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL				
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID:						
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")						
Bid Options:	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)				5. CATEGORY
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)	
Option 1	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1		<input type="checkbox"/> Retail Individual Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
(OR) Option 2						
(OR) Option 3						

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>	
Amount paid (₹ in figures)	.....	(₹ in words)	.....
ASBA Bank A/c No.	.....	
Bank Name & Branch	.....	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABBREVED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	
	1)	
	2)	

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
DPID / CLID	.....	PAN of Sole / First Bidder	.....
Amount paid (₹ in figures)	.....	Bank & Branch	.....
ASBA Bank A/c No.	.....	
Received from Mr./Ms. ....	.....	
Telephone / Mobile	.....	Email	.....

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
	ASBA Bank A/c No.	Acknowledgement Slip for Bidder			

Bank & Branch

Bid cum Application Form No.



COMMON BID CUM APPLICATION FORM		XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		For Eligible NRI, FI, FVCI, applying on Restriction Basis	
Address : _____ Contact Details: _____ CIN No. _____		Bid cum Application Form No. _____			
TO, THE BOARD OF DIRECTORS XYZ LIMITED		FIXED PRICE GME ISSUE INE00000000000			
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER	
				Mr. / Ms. _____ Address _____ Email _____ Tel. No (with STD code) / Mobile _____	
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		2. PAN OF SOLE / FIRST BIDDER	
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.			
3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL					
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID					
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")					
Bid Options	No. of Equity Shares Bid (In Figures) <small>(This must be in multiples of Bid Lot as advertised)</small>	Price per Equity Share (₹): "Cut-off" <small>(Price in multiples of ₹ 2/- only) (In Figures)</small>			5. CATEGORY
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please tick)
					<input type="checkbox"/> Retail Investor Bidder <input type="checkbox"/> Non-Institutional Bidder <input type="checkbox"/> QIB
Option 1					<input type="checkbox"/>
(OR) Option 2					<input type="checkbox"/>
(OR) Option 3					<input type="checkbox"/>
6. Investor Status					
<input type="checkbox"/> Non-Resident Indian (Repatriation Basis) NRI <input type="checkbox"/> Foreign Institutional Investor FI <input type="checkbox"/> Foreign Venture Capital Investor FVCI <input type="checkbox"/> FI Sub Account Corporate/ Individual FI SA <input type="checkbox"/> Others (Please Specify) OTH					
7. PAYMENT DETAILS					
Amount paid (₹ in figures): _____ (₹ in words): _____ ASBA Bank A/c No. _____ Bank Name & Branch _____					
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE ADVERTISEMENT AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (GIDPI) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT WE HAVE READ THE INSTRUCTIONS FOR FILING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.					
8A. SIGNATURE OF SOLE / FIRST BIDDER		8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) <small>(AS PER BANK RECORDS)</small>		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	
		I/We confirm the SCSB to debit A/c as necessary to make the Application in the form 1) _____ 2) _____ 3) _____			
Date : _____					

TEAR HERE

XYZ LIMITED		Initial Public Issue - NR		Acknowledgement Slip for Broker/SCSB/DP/RTA		Bid cum Application Form No. _____	
Address : _____		Contact Details: _____		CIN No. _____		PAN of Sole / First Bidder: _____	
DPID / CDSL		Stamp & Signature of SCSB Branch		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
Amount paid (₹ in figures): _____		Bank & Branch: _____					
ASBA Bank A/c No. _____							
Received from Mr./Ms. _____							
Telephone / Mobile: _____		Email: _____					
TEAR HERE							
XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder	
	No. of Equity Shares	Bid Price	Amount Paid (₹)				
	ASBA Bank A/c No.	Bank & Branch					
				Acknowledgement Slip for Bidder			
				Bid cum Application Form No. _____			



4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- 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.”
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. An Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.
- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.



- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

4.1.4 FIELD NUMBER 4: APPLICATION DETAILS

- a) The Issuer may mention Price as per Draft Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size
 - i. For Retails Individual Applicants

The Application must be for a minimum of 4000 equity shares. As the application price payable by the retail individual applicants cannot exceed ` 200000 they can make Application for only minimum Application size i.e. for 4000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds ` 200000 and in multiples of 4000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Draft Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
 - d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.



- ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
 - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
 - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

4.1.6 FIELD NUMBER 6: INVESTOR STATUS

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 FIELD NUMBER 7: PAYMENT DETAILS

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.
- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.



4.1.7.1 Payment instructions for Applicants

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalization of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is liable to be rejected.

4.1.8 Unblocking of ASBA Account

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be



transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.

- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

4.1.8.1 Discount (if applicable)

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

4.1.8.2 Additional Instructions for NRIs

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:
 - i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
 - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
 - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –



- i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
- ii. name and address of the Designated Intermediary, where the Application was submitted; or
- iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN :
		Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr. / Ms. Address Email Tel. No (with STD code) / Mobile
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL
		For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)															
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)						
	(In Figures)								(In Figures)						
									Bid Price		Retail Discount		Net Price	"Cut-off"	
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")															
Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)								Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only)						
	(In Figures)								(In Figures)						
									Bid Price		Retail Discount		Net Price	"Cut-off"	
Option 1	8	7	6	5	4	3	2	1	3	2	1	3	2	1	<input type="checkbox"/>
(OR) Option 2															<input type="checkbox"/>
(OR) Option 3															<input type="checkbox"/>

6. PAYMENT DETAILS										PAYMENT OPTION : FULL PAYMENT <input type="checkbox"/> PART PAYMENT <input type="checkbox"/>									
Additional Amount Paid (₹ in figures)										(₹ in words)									
ASBA Bank A/c No.																			
Bank Name & Branch																			

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABridged PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :	I/We authorize the SCSB to do all acts as are necessary to make the Application in the line:	
	1)	
	2)	
	3)	

TEAR HERE

LOGO	XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.
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DPID / CLID		PAN of Sole / First Bidder

Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares					
	Bid Price					
	Additional Amount Paid (₹)					
	ASBA Bank A/c No.					Acknowledgement Slip for Bidder
	Bank & Branch					Bid cum Application Form No.



4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION ‘FROM’ AND ‘TO’

- a) Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.
- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

4.2.3 FIELD 6: PAYMENT DETAILS

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM

Applicants may submit completed application form / Revision Form in the following manner:-

Mode of Application	Submission of Application Form
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE

5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

5.2 GROUNDS FOR TECHNICAL REJECTIONS

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-



- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.
- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 4000 ;
- Category not ticked;
- Multiple Applications as defined in this Draft Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants , Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.

SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE

This being the Fixed Price Issue this section is not applicable for this Issue.



SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

7.1 Basis of Allotment

Allotment will be made in consultation with SME Platform of BSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 4000 Equity Shares the allotment will be made as follows:
 - i. Each successful applicant shall be allotted 4000 Equity Shares;
 - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 4000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4000 Equity Shares subject to a minimum allotment of 4000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in the Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
 - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
 - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of BSE.

The Executive Director/ Managing Director of the SME Platform of BSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**



Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.

- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

8.2 GROUNDS FOR UNBLOCKING OF FUNDS

8.2.1 Non Receipt of Listing Permission

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

8.2.2 Minimum Subscription

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.



8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	An Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue
Bid	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date



Term	Description
Issue Closing Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Draft Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes an Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centers	Broker Centers notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details



Term	Description
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. www.bseindia.com
Designated Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Draft Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	This Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the Promoter and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable



Term	Description
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ` 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information



Term	Description
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ` 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ` 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201421.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.



Term	Description
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, “Working Days” shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.



RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FEMA and various regulations made thereunder. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”) makes policy announcements on FDI through press notes and press releases which are notified by the RBI as amendments to the FEMA. The DIPP also issues the Consolidated Foreign Direct Investment Policy (“**FDI Policy**”) from time to time. The regulatory framework pertaining to foreign investment, over a period of time, thus, consists of acts, regulations, master circulars, press notes, press releases, and clarifications among other amendments.

India’s current FDI Policy issued by the DIPP with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government proposes to update the FDI Policy once every year and therefore, the FDI Policy with effect from August 28, 2017 will be valid until the DIPP issues an updated circular. Under the current FDI Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company subject to certain conditions.

RBI has also issued Master Circular on Foreign Investment in India dated July 1, 2015. In terms of the Master Circular, an Indian company may issue fresh shares to persons resident outside India (who are eligible to make investments in India, for which eligibility criteria are as prescribed). Such fresh issue of shares shall be subject to inter-alia, the pricing guidelines prescribed under the Master Circular. The Indian company making such fresh issue of shares would be subject to the reporting requirements, inter-alia with respect to consideration for issue of shares and also subject to making certain filings including filing of Form FC-GPR.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment (“**FDI**”) Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of our Company. As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States and may not be offered or sold within the United States, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sale occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any 333 other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Representation from the Applicants

No person shall make an application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not Issue, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.



As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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



SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
i.	“The Act” means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	The Act
ii.	“Articles” means Articles of Association of the Company as originally framed or altered from time to time	Articles
iii.	“Beneficial Owner” shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	Beneficial Owner
iv.	“Board” or “Board of Director” means the Collective body of the Board of Directors of the Company.	Board or Board of Director
v.	“Chairman” means the Chairman of the Board of the Directors of the Company.	Chairman
vi.	“The Company” means Sterling Chemicals and Alcohols Limited	The Company
vii.	“Depositories Act, 1996” shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	Depositories Act, 1996
viii.	“Depository” shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	Depository
ix.	“Directors” mean the Directors for the time being of the Company.	Directors
x.	“Dividend” includes any interim dividend.	Dividend
xi.	“Document” means a document as defined in Section 2 (36) of the Companies Act, 2013.	Document
xii.	“Equity Share Capital” , with reference to any Company limited by shares, means all share capital which is not preference share capital;	Equity Share Capital
xiii.	“KMP” means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	KMP
xiv.	“Managing Director” means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.	Managing Director
xv.	“Month” means Calendar month.	Month
xvi.	“Office” means the registered office for the time being of the Company.	Office
xvii.	“Paid-up share capital” or “share capital paid-up” means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;	Paid-up share capital
xviii.	“Postal Ballot” means voting by post or through any electronic mode.	Postal Ballot
xix.	“Proxy” includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	Proxy
xx.	“Public Holiday” means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.	Public Holiday
xxi.	“Registrar” means the Registrar of Companies of the state in which the Registered	Registrar



	Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this Act.	
	xxii. “Rules” means the applicable rules as prescribed under the relevant sections of the Act for time being in force	Rules
	xxiii. “SEBI” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	SEBI
	xxiv. “Securities” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	Securities
	xxv. “Share” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	Share
	xxvi. “Seal” means the common seal of the Company.	
	xxvii. “Preference Share Capital” , with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to— (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;	Preference Share Capital
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company. ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	Share Capital
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	Issue of Sweat Equity Shares
5.	The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise	Issue of Debentures



	Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	Issue of Share Certificates
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	
10.	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	Power to pay Commission In connection with the Securities issued
11.	i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company	



	<p>is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	Variations of Shareholder's rights
12.	The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking paripassu therewith.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.	Issue of Preference Shares
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p> <p>Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.</p>	Further Issue of shares
15.	<p>i. The Company shall have a first and paramount lien—</p> <p>a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;</p> <p>c. Every fully paid shares shall be free from all lien and that in the case of partlypaid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>	Lien



	<p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ol style="list-style-type: none"> unless a sum in respect of which the lien exists is presently payable; or until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency. 	
17.	<ol style="list-style-type: none"> To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale. 	
18.	<ol style="list-style-type: none"> The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale. 	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ol style="list-style-type: none"> The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share. The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share. On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person. Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share. Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders. <ol style="list-style-type: none"> Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares. 	Joint Holdings



	<p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	Calls on shares
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	
24.	<p>i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</p> <p>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified</p>	
25.	<p>1. The Board—</p> <p>i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	



28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	<ul style="list-style-type: none"> i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles. ii. Each share in the Company shall be distinguished by its appropriate number. iii. A Certificate specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares 	Transfer of shares
30.	<ul style="list-style-type: none"> i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. 	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or ii. any transfer of shares on which the Company has a lien. iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever. 	
32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56; ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares. Provided that, transfer of shares in whatever lot shall not be refused. iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s), iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred; v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter 	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	



35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares	Register of Transfers
37.	<p>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.</p> <p>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</p> <p>b. Option for Investors:</p> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p> <p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> o All Securities of the Company held by the Depository shall be dematerialised and be in fungible form. o Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners. <p>d. Rights of Depositories & Beneficial Owners:-</p> <p>Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p>	Dematerialisation of Securities



	<p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.</p>	
38.	<p>i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares</p> <p>ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>	Transmission of shares
39.	<p>i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>a. to be registered himself as holder of the share; or</p> <p>b. to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>	
40.	<p>i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>	
41.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:	



	Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.	
42.	The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company. No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of admiration, Certificate of Death or marriage, power of attorney or similar other documents.	
43.	If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.	
44.	The notice aforesaid shall— i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.	
45.	If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.	
46.	i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit. ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.	
47.	i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares. ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.	Forfeiture of shares
48.	i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share; ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off; iii. The transferee shall thereupon be registered as the holder of the share; and iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.	
49.	The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.	



50.	Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.	
51.	Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	
55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	Initial payment not to preclude forfeiture
56.	The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.	
57.	Subject to the provisions of section 61, the Company may, by ordinary resolution,— i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination; iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum; iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.	Alteration of capital
58.	Where shares are converted into stock,— i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.	Conversion of Shares into Stock



	<p>iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.</p>	
59.	<p>The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—</p> <ol style="list-style-type: none"> i. its share capital; ii. any capital redemption reserve account; or iii. Any share premium account. 	Reduction of Capital
60.	<p>The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.</p> <p>The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	Share Warrants
61.	<ol style="list-style-type: none"> i. The Company in general meeting may, upon the recommendation of the Board, resolve— <ol style="list-style-type: none"> a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions. 	Capitalisation of profits



	<p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <p>b. paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>c. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;</p> <p>d. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>e. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;</p> <p>f. The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</p> <p>iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.</p>	
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>b. generally to do all acts and things required to give effect thereto.</p> <p>ii. The Board shall have power—</p> <p>a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable infractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	Buy-back of shares
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings	General Meeting
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p>	



	iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.	
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>x.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>l) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;</p> <p>m) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	Proceedings at general meetings
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	
70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up. Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	Demand for poll
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>	Time of taking poll
74.	<p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p>	Adjournment of meeting



	iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.	
75.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— i. on a show of hands, every member present in person shall have one vote; and ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.	Voting rights
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once	
77.	i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	
78.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	Casting Vote
85.	A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company	Representation of Body Corporate
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	Circulation of member's resolution
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice	Resolution requiring special notice



88.	The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.	Resolutions passed at adjourned meeting
89.	The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.	Registration of resolutions and agreements
90.	<p>i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.</p> <p>ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :</p> <p>A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.</p> <p>B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <p>a. the names of the Directors present at the meetings, and</p> <p>b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.</p> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <p>a. is or could reasonably be regarded, as defamatory of any person</p> <p>b. is irrelevant or immaterial to the proceedings; or</p> <p>c. in detrimental to the interests of the Company.</p> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	Minutes of proceedings of general meeting and of Board and other meetings
91.	The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.	Minutes to be considered to be evidence
92.	No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.	Publication of reports of proceeding of general meetings



93.	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.	Proxy
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96.	<p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> 1. Jayant Shamrao Arbatti 2. Dilip S. Arbatti 3. Ajit Shamrao Arbatti 4. Dilip Shamrao Arbatti 	Board of Directors
97.	The Directors need not hold any "Qualification Share(s)".	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	<ol style="list-style-type: none"> i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day. ii. In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or b. in connection with the business of the company. 	
100.	The Board may pay all expenses incurred in getting up and registering the company.	
101.	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.	



102.	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.	
103.	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose	
104.	<p>i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.</p> <p>ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.</p>	
105.	Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.	Retirement Rotation Directors and of
106.	The remaining Directors shall be appointed in accordance with the provisions of the Act.	
107.	At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office	
108.	Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.	
109.	Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.	
110.	Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto	Nominee Director
111.	Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as "the Corporation") continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as "Nominee Director/s") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.	
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate	



	such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	
114.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation</p>	
115.	Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.	
116.	The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.	
117.	Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed	
118.	On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ol style="list-style-type: none"> in any notice of the resolution given to members of the Company state the fact of the representations having been made, and send a copy of the representations to every member of the Company to whom the notice of the meeting is sent (whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting: <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	Removal of Directors



120.	A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act: Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
123.	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
124.	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company. In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company	Remuneration and sitting fees to Directors including Managing and whole time Directors
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- (Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board. a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company, f. Power to Grant loans or give guarantee or provide security in respect of loans g. Power to approve financial statements and the Board's Report h. Power to diversify the business of the Company i. Power to approve amalgamation, merger or reconstruction j. Power to take over a Company or acquire a controlling or substantial stake in another Company	Powers and duties of Directors: Certain powers to be exercised by the Board only at meeting



	<p>k. Powers to make political contributions;</p> <p>l. Powers to appoint or remove key managerial personnel (KMP);</p> <p>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</p> <p>n. Powers to appoint internal auditors and secretarial auditor;</p> <p>o. Powers to take note of the disclosure of director's interest and shareholding;</p> <p>p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;</p> <p>q. Powers to invite or accept or renew public deposits and related matters;</p> <p>r. Powers to review or change the terms and conditions of public deposit;</p> <p>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</p> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <p>ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.</p> <p>iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.</p> <p>iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.</p> <p>v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article</p>	
127.	<p>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :</p> <p>a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;</p> <p>b) remit, or give time for the repayment of any debt, due by a Director;</p> <p>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</p> <p>d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or</p> <p>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p>	<p>Restriction on powers of Board</p>



	<p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	General powers of the Company vested in Directors
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. To pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. To purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;</p> <p>iii. To purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase,</p>	Specific powers given to Directors



	<p>lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. To pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act,</p>	
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	<p>2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p> <p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to</p>	
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	<p>such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><u>MANAGING DIRECTORS</u></p> <p>Power to appoint Managing or Whole-time Directors</p>
132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<p>Proceedings of the Board</p>
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
135.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	



138.	a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit. b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board	Delegation of Powers of Board to Committee
139.	a) A committee may elect a Chairperson of its meetings. b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting	
140.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	Subject to the provisions of the Act,— a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.	Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer
144.	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.	
145.	a) The Board shall provide for the safe custody of the seal. b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.	
146.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.	Dividends and Reserve
147.	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.	
148.	a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.	



	b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
149.	<p>a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>	
150.	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.	
151.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>	
152.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.	
153.	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.	
154.	<p>No dividend shall bear interest against the Company.</p> <p>Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;</p>	
155.	<p>Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.</p> <p>The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.</p>	
156.	The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.	
157.	Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.	
158.	a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of	Accounts



	<p>the Company, or any of them, shall be open to the inspection of members not being directors.</p> <p>b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.</p>	
159.	<p>Minutes Books of General Meetings</p> <p>a) The books containing the minutes of the proceedings of any general meeting of the Company shall;</p> <p>i. be kept at the registered office of the Company, and be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.</p> <p>Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.</p> <p>b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.</p>	Inspection of Statutory Documents of the Company
160.	<p>Register of charges:</p> <p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <p>a. by any member or creditor without any payment of fees; or</p> <p>b. by any other person on payment of such fees as may be prescribed,</p> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	Audit
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <p>i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p>	Winding up



	<p>ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.</p>	
163.	Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—	Indemnity
164.	<p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.</p>	Secrecy



SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

Material Contracts

1. Agreement dated January 30, 2018 between our Company and Corporate Capitalventures Private Limited as Lead Manager to the Issue.
2. Agreement dated January 29, 2018 executed between our Company and the Registrar to the Issue (Link Intime India Private Limited)
3. Market Making Agreement dated January 30, 2018 between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated January 30, 2018 between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated [●] among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated [●] among NDSL, the Company and the Registrar to the Issue.

Material Documents

1. Certified copies of the Memorandum and Articles of Association of the Company as amended.
2. Certificate of Incorporation dated July 4th, 1991 issued by the Registrar of Companies, Pune.
3. Fresh Certificate of Incorporation dated October 16, 2017 issued by the Registrar of Companies, Pune, Consequent upon Conversion of the Company to Public Company.
4. Copy of the Board Resolution dated December 18, 2017 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated January 10, 2018 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the period ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013.
7. Peer Review Auditors Report dated January 31, 2018 on Restated Financial Statements of our Company for the period ended December 31, 2017 and years ended March 31, 2017, 2016, 2015, 2014 and 2013.
8. Copy of the Statement of Tax Benefits dated January 31, 2018 from the Statutory Auditor.
9. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.
10. Copy of Certificate from the Peer Review Auditors of our Company, M/s. C.P. Jaria & Co., Chartered Accountants, dated January 31, 2018 regarding the Eligibility of the Issue.
11. Board Resolution dated February 14, 2018 for approval of Draft Prospectus, dated [●] for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated February 14, 2018 filed with BSE and dated [●] filed with SEBI.
13. Approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on the SME Platform of the BSE.



DECLARATION

I, the person mentioned herein below, as Director or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Jayant Shamrao Arbatti

Chairman cum Managing Director

(DIN: 00810089)

Place – Pune

Date – February 14, 2018



DECLARATION

I, the person mentioned herein below, as Director or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Sneha Jayant Arbatti

Whole Time Director

(DIN: 03064353)

Place – Pune

Date – February 14, 2018



DECLARATION

I, the person mentioned herein below, as Director or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Uttam Manohar Kale

Non-Executive Independent Director
(DIN: 03405387)

Place – Pune

Date – February 14, 2018



DECLARATION

I, the person mentioned herein below, as Director or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Dhananjay Sanatkumar Vaidya

Non-Executive Independent Director
(DIN: 02123563)

Place – Pune

Date – February 14, 2018



DECLARATION

I, the person mentioned herein below, as Director or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. I further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY:

Sd/-

Bijay Kumar Lenka

Non-Executive Independent Director

(DIN: 02127873)

Place – Pune

Date – February 14, 2018



DECLARATION

We, the persons mentioned herein below, as Company Secretary & Compliance Officer and Chief Financial Officer or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Draft Prospectus. No statement made in the Draft Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Draft Prospectus are true and correct.

SIGNED BY THE COMPANY SECRETARY & CHIEF FINANCIAL OFFICER OF OUR COMPANY:-

Sd/- Ms. Shalini Agrawal <i>Company Secretary & Compliance officer</i>	Sd/- Mr. Manojkumar Charudatta Naidu <i>Chief Financial Officer</i>
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Place – Pune

Date – February 14, 2018