DRAFT LETTER OF OFFER
October 20, 2016
For Eligible Equity Shareholders Only

ARCHIT ORGANOSYS LIMITED

Our Company was originally incorporated as 'Shri Chlochem Limited' on August 4, 1993 as a public limited company under Companies Act, 1956. Our Company was granted certificate of commencement of business on September 23, 1993. The name of our Company was changed to 'Archit Organosys Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on May 19, 2012. For details of change in the name and registered office of our Company, see section *"History and Certain Corporate Matters"* on page 100 of Draft Letter of Offer.

Registered Office: Plot No 25/9-A Phase-III, G.I.D.C Naroda, Ahmedabad-382330, Gujarat, India.
Corporate Office: 4th Floor, 402-403, Smit Complex, B/H, Navrangpura Post Office, Navrangpura, Ahmedabad – 380 009, Gujarat, India.
Contact Person: Ms. Ami Suthar, Company Secretary and Compliance Officer;
Telephone: +91-79-22821154; **Facsimile**: +91-79-22822007;
E-mail: share@architorg.com; **Website**: www.architorg.com
Corporate Identity Number: L24110GJ1993PLC019941

PROMOTERS OF OUR COMPANY: MR. KANDARP AMIN, MS. ARCHANA AMIN AND MR. ARCHIT KANDARP AMIN

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF ARCHIT ORGANOSYS LIMITED (THE "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF 1,00,42,200 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") FOR CASH AT A PRICE OF ₹[●] EACH INCLUDING A SHARE PREMIUM OF ₹[●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO AN AMOUNT NOT EXCEEDING ₹ [●] LAKHS ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 EQUITY SHARES FOR EVERY 1 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] ("THE ISSUE"). THE ISSUE PRICE FOR THE EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE CHAPTER TITLED "TERMS OF THE ISSUE" ON PAGE [●] OF THIS DRAFT LETTER OF OFFER.

PAYMENT METHOD

Amount payable per Rights Equity Share*	**Face Value (₹)**	**Premium (₹)**	**Total (₹)**
On Application	5.00	[●]	[●]
On First and Final Call	5.00	[●]	[●]

* For details on the payment method, see *"Terms of the Issue"* beginning on page 188 of this Draft Letter of Offer.
In terms of Regulation 17 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations"), our Company shall ensure that the Call Money (defined hereinafter) is collected within 12 months from the Allotment Date (defined hereinafter). In case an Investor (defined hereinafter) fails to pay the amount of the Call Money within the said 12 months from the Allotment Date, the Equity Shares in respect of which any amount of the Call Money remains outstanding shall be forfeited, along with the Application Money (defined hereinafter) already paid. Please refer Risk Factor No. 10 on page 14 for risks associated with the Payment Method. For further details, see sections titled *"Terms of the Issue"* and *"Risk Factors"* on page 188 and 14 respectively.

GENERAL RISKS

Investments in equity and equity related securities involve a high 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 the Issue. For taking an investment decision, Investors must rely on their own examination of our Company and the Issue including the risks involved. The securities being offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer**. Investors are advised to refer to the section titled "*Risk Factors*" on page 14 of this Draft Letter of Offer before making an investment in this Issue.**

ISSUER'S ABSOLUTE RESPONSIBILITY

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

LISTING

The existing Equity Shares of our Company are listed on BSE Limited ("**BSE**"/"**Stock Exchange**"). Our Company has received "in-principle" approval from BSE for listing of the Equity Shares to be allotted in this Issue *vide* letter dated [●]. Since the existing Equity Shares of our Company are listed on BSE only, BSE shall be the Designated Stock Exchange.

LEAD MANAGER TO THE ISSUE	**REGISTRAR TO THE ISSUE**
VIVRO	LINKIntime
Vivro Financial Services Private Limited "Vivro House", 11, Shashi Colony, Opp., Suvidha Shopping Center, Paldi, Ahmedabad, 380007, Gujarat **Telephone:** +91-79-4040 4242 **Fax:** +91-79-2665 0570 **Email:** archit@vivro.net; **Website:** www.vivro.net **Investor Grievance Email:** investors@vivro.net **SEBI Registration No.** INM000010122 **CIN:** U67120GJ1996PTC029182 **Contact Person:** Ms. Mili Khamar / Mr. Harish Patel	**Link Intime India Private Limited** C-13,Pannalal Silk Mills Compound, Lal Bahadur Shastri Marg, Bhandup (West), Mumbai - 400078 **Telephone:** + 91 22 6171 5400 **Fax:** +91 22 2596 0329 **Email:** aol.rights@linkintime.co.in **Website:** www.linkintime.co.in **Investor Grievance Email:** aol.rights@linkintime.co.in **SEBI Registration Number:** INR000004058 **CIN:** U67190MH1999PTC118368 **Contact Person:** Mr. Dinesh Yadav

ISSUE PROGRAMME

ISSUE OPENS ON	**LAST DATE FOR RECEIVING REQUESTS FOR SPLIT APPLICATION FORMS**	**ISSUE CLOSES ON**
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

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

Company Related Terms

Terms	Description
"Archit Organosys Limited" or "the Company" or "our Company" or "the Issuer"	Archit Organosys Limited, a public limited company incorporated under the provisions of the Companies Act, 1956 and having its registered office at Plot No 25/9-A Phase-III, G.I.D.C Naroda, Ahmedabad-382330, Gujarat, India.
Articles/ Articles of Association/ AoA	The Articles of Association of our Company as amended from time to time.
Auditors / Statutory Auditor	The Statutory Auditors of our Company being G. K. Choksi & Co., Chartered Accountants.
Board/ Board of Directors/ our Board	The Board of Directors of our Company or a duly constituted committee thereof, as the context may refer to.
Bhavnagar Facility / Bhavnagar Unit	The new facility for manufacturing MCA, SMCA and CAC/SBS chemicals (Project-I) and PAC chemical (Project-II) located at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat.
CFO	Chief Financial Officer of the Company
Director(s)	Any or all the director(s) of our Board, as may be appointed from time to time.
Equity Shares / Shares	Equity Shares of face value ₹10 each of our Company.
Group Companies/Group Entities	This includes such companies or entities as covered under the applicable accounting standards and also other companies as considered material by the board of our Company in terms of Materiality Policy adopted by our Board on October 14, 2016. *For Further details, see section "Our Group Entities" on page 116 of this DLOF*.
Internal Auditors	M/s. S. N. Shah & Associates
Key Managerial Personnel / KMP	Mr.Kandarp Amin, Whole-time Director, Mr. Bharatkumar Shrimali, Chief Financial Officer and Ms. Ami Suthar, Company Secretary and Compliance Officer, collectively referred as Key Managerial Personnel of the Company
Memorandum/Memorandum of Association/ MoA	The Memorandum of Association of our Company, as amended from time to time
Naroda Facility / Naroda Unit	Manufacturing MCA and SMCA chemicals located at Plot No 25/9-A Phase-III, G.I.D.C Naroda, Ahmedabad-382330, Gujarat, India.
Open Offer	Open Offer for acquisition of 6,10,000 Equity Shares of the Company pursuant to the letter of offer dated March 15, 2005 in terms of SEBI Takeover Code, 1997.
Project – I / MCA, SMCA & CAC/SBS Unit	Facility for manufacturing of MCA, SMCA and CAC/SBS chemicals at Bhavnagar, Gujarat having installed capacity of 17,400 M.T. p.a. i.e. for MCA (12,000 M.T. p.a.), for SMCA (2,400 M.T. p.a.) and for CAC/SBS (3,000 M.T. p.a.)
Project – II / PAC Unit	Facility for manufacturing of PAC chemical at Bhavnagar, Gujarat having an installed capacity of 12,000 M.T. p.a. for PAC
Promoters	Promoters of our Company are Mr. Kandarp Amin, Ms. Archana Amin & Mr. Archit Kandarp Amin
Promoter Group	Persons and entities forming part of our promoter group as determined in terms of the Regulation 2(1)(zb) of the ICDR Regulations and the persons and entities as disclosed to BSE under Regulation 31 filings made by our Company under the of Listing Regulations.
Registered Office	Registered office of our Company is situated at Plot No 25/9-A Phase-III, G.I.D.C Naroda, Ahmedabad-382330,Gujarat, India
Registrar of	Registrar of Companies, Gujarat

Terms	Description
Companies/ROC	
Shareholder(s)	Equity Shareholders of our Company
Share Purchase Agreement / SPA	Share Purchase Agreement dated January 28, 2005 entered between Mr. Kandarp Amin, Ms. Archana Amin and Mr. Archit Kandarp Amin with erstwhile promoters of the Company to acquire 7,24,375 Equity Shares of the Company.

Issue Related Terms

Term	Description
Abridged Letter of Offer	Abridged letter of offer to be sent to the Eligible Equity Shareholders as on the Record Date with respect to the Issue in accordance with the ICDR Regulations
Additional Rights Equity Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement
Allotment/ Allot/ Allotted/ Allotment of Equity Shares	The allotment of Equity Shares pursuant to the Issue
Allotment Advice	The note or advice or intimation of Allotment sent to the Investors, who have been or are to be allotted the Equity Shares after the Basis of Allotment has been approved by the BSE
Allotment Date	The date on which Allotment is made
Allottee(s)	Persons to whom Equity Shares of our Company are Allotted pursuant to the Issue
Applicants	Eligible Equity Shareholder(s) and/or Renouncees who make an application for the Rights Shares in terms of this Draft Letter of Offer, including an ASBA Applicant
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the amount payable on application in their specified bank account maintained with SCSB.
ASBA Account	An account maintained with an SCSB and specified in the CAF or plain paper application, as the case may be by the Applicant for blocking the amount mentioned in the CAF or in the plain paper application.
ASBA Applicant(s) / ASBA Investor(s)	Eligible Equity Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of our Company in dematerialised form as on the Record Date and has applied towards their Rights Entitlements and/or Additional Rights Equity Shares in dematerialised form; 2. has not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in bank accounts maintained with SCSBs.
Bankers to the Company	Union Bank of India, SSI Branch, Ashram Road, Ahmedabad – 380 014
Bankers to the Issue/ Escrow Collection Banks	[●]
Call	Call notice sent by the Company to each of the holders of the partly paid-up Equity Shares as on the Call Record Date, for making a payment of Call Money
Call Money	Aggregate amount payable in respect of the Equity Shares applied for in this Issue at the time of the Call pursuant to the Payment Method, being ₹ [●] per Equity Share, i.e. [●]% of the Issue Price.
Call Record Date	The date fixed the Company for the purpose of determining the names of the holders of partly paid-up Equity Shares for the purpose of issuing of the Call.
Composite Application Form/ CAF	The application form used by an Investor to make an application for the Allotment of Equity Shares in the Issue
Consolidated Certificate	In case of holding of Equity Shares in physical form, the certificate that our Company would issue for the Equity Shares Allotted to one folio.
Controlling Branches of the SCSBs/ Controlling Branches	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchange, a list of which is available on http://www.sebi.gov.in
Designated Branches	Such branches of the SCSBs which shall collect application forms used by ASBA

Term	Description
	Investors and a list of which is available at http://www.sebi.gov.in
Designated Stock Exchange	BSE Limited
Depository	A depository registered with SEBI under the SEBI (Depository and Participant) Regulations, 1996, as amended from time to time
Draft Letter of Offer	This Draft Letter of Offer dated October 20, 2016, filed with SEBI
Eligible Shareholders/ Eligible Equity Shareholders	Existing Equity Shareholders as on the Record Date
Investor(s)/Applicant(s)	The Equity Shareholders of our Company on the Record Date and the Renouncees
Issue / Rights Issue	Issue of 1,00,42,200 Equity Shares with a face value of 10 each for cash at a price of ₹ [●] (including a share premium of ₹ [●] per Equity Share) aggregating to an amount upto ₹ [●] Lakhs on a rights basis to Eligible Equity Shareholders in the ratio of 2 Equity Share for every 1 fully paid-up Equity Shares held on the Record Date i.e. [●]
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Price	₹[●] per Equity Share
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of 1,00,42,200 Equity Shares for an amount upto ₹ [●] Lakhs
Lead Manager	Vivro Financial Services Private Limited
Letter of Offer	The final letter of offer to be filed with the Stock Exchange after incorporating the observations received from SEBI on the Draft Letter of Offer
Listing Agreement	The listing agreement dated February 25, 2016 entered into between our Company and the Stock Exchange
Net Proceeds	The Issue Proceeds less the Issue related expenses. For further details, please refer to the chapter titled *"Objects of the Issue"* beginning on page 56 of this Draft Letter of Offer
NAV	Net Asset Value calculated as Net Worth divided by number of paid up equity shares.
Net Worth	Paid up share capital plus reserves and surplus (excluding revaluation reserves, if any) less miscellaneous expenditure, if any.
Non – ASBA investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process.
Non Institutional Investor(s)	Investor, including any company or body corporate, other than a Retail Individual Investor and a QIB.
Offer Document	The Draft Letter of Offer, Letter of Offer, Abridge Letter of Offer including any notices, corrigenda thereto
Payment Method	Payment method in respect of the Equity Shares issued pursuant to the Issue, under which the amount payable on Application is ₹ [●] per Equity Share, and the balance amount of the Issue Price is payable on Call.
QIBs/ Qualified Institutional Buyers	Qualified Institutional Buyers as defined under Regulation 2(1)(zd) of the ICDR Regulations
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Equity Shares i.e. [●]
Refund Bank	[●]
Refund through electronic transfer of funds	Refunds through NECS, Direct Credit, RTGS, NEFT or ASBA process, as applicable
Registered Foreign Portfolio Investors/ Foreign Portfolio Investors/ Registered FPIs/ FPIs	Foreign portfolio investors as defined under the SEBI (Foreign Portfolio Investors) Regulations, 2014
Registrar to the Issue/ Registrar and Transfer Agent/ RTA	Link Intime (India) Private Limited
Renouncee(s)	Person(s) who has/ have acquired Rights Entitlements from the Eligible Equity Shareholders

Term	Description
Retail Individual Investor(s)	Individual Investors who have applied for Equity Shares for an amount less than or equal to ₹ 2 Lakhs.
Rights Entitlements	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor on the Record Date.
Rights Shares	The Equity Shares of face value ₹10 each of our Company offered and to be issued and allotted pursuant to the Issue.
Self Certified Syndicate Bank/ SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer the facility of ASBA, including blocking of bank account and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html.
Split Application Form/ SAF	Split application form(s) is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s).
Share Certificate	The certificate in respect of the Equity Shares allotted to a folio
Stock Exchange	BSE, where the Equity Shares of our Company are presently listed
Working Days	Any day, other than Saturdays and Sundays, on which commercial banks in Mumbai are open for business, provided however, for the purpose of the time period between the Issue Closing Date and listing of the Securities on the Stock Exchange, "Working Days" shall mean all days excluding Sundays and bank holidays in Delhi or Mumbai in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010.

Business and Industry related Terms/Abbreviations

Term	Description
AVR	Automatic Voltage Regulator
CAC	Chloro Acetyl Chloride
CI pinch valves	Cast Iron pinch valves
Combipac boiler	Combipac is a hybrid smoke and water tube design boiler, with the combustor based on the principle of Fluidized Bed Combustion (FBC)
CWIP	Capital Work in Progress
DG sets	Diesel Generating sets
EOT crane	Electric Overhead Traveling
FBC	Fluidized Bed Combustion
FRP Induced Draft Cooling Power	Fiber-reinforced Plastic Induced Draft Cooling Power
HASTC	Hastelloy C
HCL plant	Hydrochloric Acid plant
HDPE tanks	High-density polyethylene pumps
KVA	Kilovolt-amps
MCA	Monochloro Acetic Acid
MCC	Motor Control Center
MSGL Equipment	Mild Steel Glass Lined
N2 plant	Nitrogen plant
ODC	Over Dimension Consignment
OLTC	On Load Tap Changer
PAC	Polyaluminiun Chloride
PCC	Power Control Center
PP pumps	Polypropylene pumps
PTFE pumps	Polytetrafluoroethylene pumps
RFQ	Request for Quotation
RMT	Running Meter
RTCC	Remote Tap Change Circuit
SBS	Sodium Bisulfite
SMCA	Sodium Monochloro Acetate

Term	Description
SQM	Square Meter
TCAC plant	Trichloro Acetyl Chloride
TEF coat	Teflon coat
THP steam boiler	Tonnes Per Hour steam boiler
VAM	Vapour Absorption Machine

Conventional and General Terms or Abbreviations

Term	Description
A/c	Account
AGM	Annual General Meeting
Air Act, 1981/ Air Act	The Air (Prevention and Control of Pollution) Act, 1981
AS / Accounting Standard	Accounting Standards issued by the Institute of Chartered Accountants of India
AY	Assessment Year
Boilers Act	The India Boilers Act, 1923
Bonus Act	Payment of Bonus Act, 1965
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CARO	Companies (Auditor's Report) Order, 2003/ Companies (Auditor's Report) Order, 2016
CC&A	Consolidated Consent and Authorization
CDSL	Central Depository Services (India) Limited
Central Government	The Central Government of India
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956 and the rules made thereunder (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections)
Companies Act, 2013	Companies Act, 2013 and the rules made thereunder, to the extent in force pursuant to notification of the Notified Sections
Compensation Act	Workmen's Compensation Act, 1923
CSR	Corporate Social responsibility
CST	Central Sales Tax
CTE	Consent to Establish
Customs Act	The Customs Act, 1962
Depositories Act	Depositories Act, 1996 as amended from time to time
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion
DP	Depository Participant as defined under the Depositories Act
DP ID	Depository Participant's Identity
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General meeting
EM	Entrepreneurs Memorandum
Environment Act, 1986/ EPA	The Environment (Protection) Act, 1986
EPFO	Employees' Provident Fund Organisation
EPS	Earnings per Share
ESI Act	The Employees' State Insurance Act, 1948
ESIC	Employee State Insurance Corporation
Excise Act	The Central Excise Act, 1944
Explosives Act	The Explosives Act, 1884
Explosives Rules	The Explosives Rules, 2008
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations promulgated there under and any amendments thereto.
FII	Foreign Institutional Investor, as defined under Regulation 2(1)(g) of the SEBI (Foreign Portfolio Investors) Regulations, 2014, registered with SEBI under

Term	Description
	applicable laws in India.
FIPB	Foreign Investment Promotion Board
Foreign Trade Act	The Foreign Trade (Regulation and Development) Act, 1992
GIDC	Gujarat Industrial Development Corporation
Government/GoI	Government of India
GPCB	Gujarat Pollution Control Board
Gratuity Act	Payment of Gratuity Act, 1972
Hazardous Wastes Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
I. T. Rules	Income Tax Rules, 1962, as amended from time to time.
I.T. Act / IT Act	Income Tax Act, 1961
ICAI	Institute of Chartered Accountants of India
ICDR Regulations/ SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time
ICSI	The Institute of Company Secretaries of India
IEM	Industrial Entrepreneurs Memorandum
IEPF	Investor Education and Protection Fund
IFRS	International Financing Reporting Standards
Indian GAAP	Generally accepted accounting principles followed in India
Industrial Disputes Act	Industrial Disputes Act, 1947
Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository.
JPY	Japanese Yen
Lakhs	One hundred thousand
LLP	Limited Liability Partnership
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
Minimum Wages Act	Minimum Wages Act, 1948
MoU	Memorandum of Understanding
NA/N.A.	Not Applicable
Narcotic Act	The Narcotic Drugs and Psychotropic Substances Act, 1985
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NI Act	Negotiable Instruments Act, 1881
NR	Non Resident
NRI	Non Resident Indian
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
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.
p.a.	Per Annum
P/E Ratio	Price / Earnings Ratio.
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Wages Act	The Payment of Wages Act, 1936
PBT	Profit Before Tax
PIO	Persons of Indian Origin
PLI Act	Public Liability Insurance Act, 1991
PLR	Prime Lending Rate
RBI	Reserve Bank of India
Re./Rs./INR/Rupees/₹	Indian Rupees, Valid legal tender in India
RONW	Return on Net Worth

Term	Description
RTGS	Real Time Gross Settlement
Sales Tax	Central Sales Tax
SCORES	SEBI Complaints Redress System
SCRA	The Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	The Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act, 1992
SEBI Act	The Securities and Exchange Board of India Act 1992, as amended from time to time
SEBI Listing Regulations/ Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Mutual Fund Regulations	SEBI (Mutual Funds Regulations), 1996, as amended from time to time.
SEBI Regulations	ICDR Regulations, SEBI Merchant Bankers and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time.
SEBI Takeover Code, 1997	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
SEBI Takeover Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Securities Act	The United States Securities Act of 1933, as amended
SIA	Secretariat of Industrial Approval
TAN	Tax Deduction Account Number
Trade Marks Act	Trade Marks Act, 1999
VAT	Value Added Tax
VCF	Venture Capital Fund
Water Act, 1974/ Water Act	The Water (Prevention and Control of Pollution) Act, 1974

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

NOTICE TO OVERSEAS SHAREHOLDERS

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

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI for observations. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer must be treated as sent for information only and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer should not, in connection with the Issue or the Rights Entitlements, distribute or send this Draft Letter of Offer in or into jurisdictions where to do so would or might contravene local securities laws or regulations. If this Draft Letter of Offer is received by any person in any such jurisdiction or territory, or by their agent or nominee, they must not seek to subscribe the Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Shares in this Issue must provide an Indian address. Any person who makes an application to acquire rights and the Rights Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction. We, the Registrar, the Lead Manager to the Issue or any other person acting on behalf of us reserve the right to treat any CAF as invalid where we believe that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements and we shall not be bound to allot or issue any Rights Shares or Rights Entitlement in respect of any such CAF. Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as at any time subsequent to date of this Draft Letter of Offer or the date of such information.

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

NO OFFER IN THE UNITED STATES

The Rights Shares or Rights Entitlements have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of the Draft Letter of Offer and the CAF. Any representation to the contrary is a criminal offence in the United States.

The rights and securities of our Company, including the Rights Shares have not been and will not be registered under the United States Securities Act, 1933, as amended (***Securities Act***), or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (***United States*** or ***U.S.***) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (***Regulation S***), except in a transaction exempt from the registration

requirements of the Securities Act. The rights referred to in this Draft Letter of Offer are being offered in India, but not in the United States. The offering to which this Draft Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any securities or rights for sale in the United States or as a solicitation therein of an offer to buy any of the said securities or rights. Accordingly, this Draft Letter of Offer/ Letter of Offer / Abridged Letter of Offer and the CAF should not be forwarded to or transmitted in or into the United States at any time. Neither our Company nor the Lead Manager nor any person acting on their behalf will accept subscriptions from any person or his agent, if to whom an offer is made, would require registration of this Draft Letter of Offer with the United States Securities and Exchange Commission

Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a U.S. person (as defined in Regulation S) or otherwise in the United States when the buy order is made. Envelopes containing CAF should not be postmarked in the United States or otherwise dispatched from the United States or any other jurisdiction where it would be illegal to make an offer under this Draft Letter of Offer, and all persons subscribing for the Rights Shares and wishing to hold such Rights Shares in registered form must provide an address for registration of the Rights Shares in India. Our Company is making this issue of Rights Shares on a rights basis to the Equity Shareholders of our Company and the Letter of Offer/Abridged Letter of Offer and CAF will be dispatched to Equity Shareholders who have an Indian address. Any person who acquires rights and the Rights Shares will be deemed to have declared, represented, warranted and agreed, (i) that it is not and that at the time of subscribing for the Rights Shares or the Rights Entitlements, it will not be, in the United States when the buy order is made, (ii) it is not a U.S. person (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States, and (iii) is authorized to acquire the rights and the Rights Shares in compliance with all applicable laws and regulations.

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

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

Financial Data

Unless stated otherwise, financial data in this Draft Letter of Offer, with respect to our Company, is derived from Company's restated audited financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the ICDR Regulations for the three months ended June 30, 2016 and for the Financial Year March 31, 2016, 2015, 2014, 2013 and 2012.

Our fiscal year commences on April 1 of each calendar year and ends on March 31 of the following calendar year, so all references to a particular "fiscal year" or "Fiscal" are to the 12 month period ended on March 31 of that year and our audited financial statements as of and for year ended March 31, 2016 ("**Financial Statements**") form a part of this Draft Letter of Offer have been prepared by our Company in accordance with Indian GAAP, applicable standards and guidance notes specified by the Institute of Chartered Accountants of India, applicable accounting standards prescribed by the Institute of Chartered Accountants of India and other applicable statutory and / or regulatory requirements. For further details of such financial statements, please see "*Financial Statements*" on page 123 of this Draft Letter of Offer.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures. Numerical values have been rounded off to two decimal places.

Our financial statements are in accordance with the Indian GAAP, which differ in certain respects from generally accepted accounting principles in other countries. Indian GAAP differs in certain significant respects from IFRS. We publish our financial statements in Indian Rupees. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. For details in connection with risks involving differences between Indian GAAP and other accounting principles and risks in relation to IFRS, please see "*Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which investors may be more familiar with and may consider material to their assessment of the Company's financial condition*", on page 25 of this Draft Letter of Offer.

Currency of Presentation

All references to "Rs." or "INR" or "Rupees" or "₹" refer to Indian Rupees, the lawful currency of the Republic of India. Any reference to "USD" or "US$" or "$" refers to the United States Dollar, the lawful currency of the United States of America.

Industry and Market Data

Unless stated otherwise, market, industry and demographic data used in this Draft Letter of Offer has been obtained from market research, publicly available information, industry publications and government sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy and completeness of that information is not guaranteed. Similarly, internal surveys, industry forecasts and market research, while believed to be reliable, have not been independently verified and neither our Company nor the Lead Manager makes any representation as to the accuracy of that information.

Accordingly, Investors should not place undue reliance on this information.

Additionally, the extent to which the market and industry data presented in this Draft Letter of Offer is meaningful depends on the reader's familiarity with, and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our Company conducts its business and methodologies and assumptions may vary widely among different industry sources.

Exchange Rate

The following tables provide information with respect to the exchange rate for the Indian rupee per US$1.00. The exchange rates are based on the reference rates released by the Reserve Bank of India, which is available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, he rates stated below, or at all.

(₹ Per U.S.$ 1.00)

	Period End[(1)]	Average[(2)]	High	Low
FY Ended:				
March 31, 2016	66.33	65.46	68.78	62.16
March 31, 2015	62.59	61.15	63.75	58.43
March 31, 2014	60.10	60.50	68.36	53.74
March 31, 2013	54.39	54.45	57.22	50.56
March 31, 2012	51.16	47.95	54.24	53.95
Month Ended:				
September 30, 2016	66.66	66.74	67.06	66.36
August 31, 2016	66.98	66.94	67.19	66.74
July 31, 2016	67.03	67.21	67.50	66.91
June 30, 2016	67.62	67.30	68.01	66.63
May 30, 2016	67.20	66.91	67.71	66.27
April 30, 2016	66.52	66.47	66.73	66.24
March 31, 2016	66.33	67.02	68.16	66.33
February 29, 2016	68.62	68.24	68.78	67.64

Source: www.rbi.org.in

(1) Represents the reference rate released by the Reserve Bank of India on closing of the last working day of the period.

(2) Represents the average of the reference rates released by the Reserve Bank of India on closing of each day during the period for each year and month presented.

The reference rate on October 19, 2016 was U.S. $1.00 = 66.71

FORWARD LOOKING STATEMENTS

Certain statements in this Draft Letter of Offer are not historical facts but are "forward-looking" in nature. Forward looking statements appear throughout this Draft Letter of Offer, including, without limitation, under the chapters titled "Risk Factors", "Management's Discussion and Analysis of Financial Condition and Results of Operations", "Industry" and "Business". Our Company may, from time to time, make written or oral forward looking statements in reports to Equity Shareholders and in other communications. Forward-looking statements include statements concerning our Company's plans, objectives, goals, strategies, future events, future revenues or financial performance, capital expenditures, financing needs, plans or intentions relating to acquisitions, our Company's competitive strengths and weaknesses, our Company's business strategy and the trends our Company anticipates in the industries and the political and legal environment, and geographical locations, in which our Company operates, and other information that is not historical information.

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

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

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

- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various business plans;
- General economic and business conditions in the markets in which we operate and in the local, regional and national economies;
- Increasing competition in or other factors affecting the industry segments in which our Company operates;
- Changes in laws and regulations relating to the industries in which we operate;
- Fluctuations in opening costs and impact on the financial results;
- Our ability to attract and retain qualified personnel;
- Changes in political and social conditions in India or in countries that we may enter, the monetary policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- The performance of the Chemical Industry in India and globally;

For a further discussion of factors that could cause our Company's actual results to differ, see the chapters titled "*Risk Factors*" and "*Our Business*" on pages 14 and 85, respectively of this Draft Letter of Offer. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company nor the Lead Manager make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI / Stock Exchange requirements, our Company and Lead Manager will ensure that Investors in India are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchange.

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 Letter of Offer, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks and uncertainties described in this section are not the only risks that we currently 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 and financial condition. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition 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 risk factors where the effect is not quantifiable and hence the same has not been disclosed in such risk factors.

To obtain a complete understanding, you should read this section in conjunction with the chapters entitled "Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" as well as the other financial and statistical information contained in this Draft Letter of Offer.

Unless otherwise stated, the financial information of our Company used in this section is derived from our restated consolidated financial statements.

INTERNAL RISK FACTORS

1. ***Our Company, Promoters and Directors are involved in certain litigations, the outcome of which could adversely affect our business prospects, financial condition and results of operations.***

We set out below the summary of litigation by and against our Company, Promoters and Directors:

Sl. No.	Particulars	No. of cases / disputes	Amount involved where quantifiable (in Rupees)
Litigation by and against our Company			
Litigation against our Company			
	Civil Cases	2	1,42,45,334.43 (along with interest thereon)
	Criminal Cases	NIL	Not Applicable
Litigation by our Company			
	Civil Cases	2	78,04,512/-
	Criminal Cases	10	2,78,552/-
Revenue Proceedings (Direct Tax) filed against our Company			
	Appeals preferred by our Company	1	11,11,439/-
Revenue Proceedings (Indirect Tax) filed against our Company			
	Appeals preferred by our Company	NIL	Not Applicable
Cases filed by and against our Promoters			
	Tax proceedings against our Promoters	1	Not Quantifiable
Cases filed by and against our Directors			
	Cases filed against our Director	NIL	Not Applicable
	Total		**2,34,99,847.43**

For further details of the above litigation, please refer to the Chapter titled "*Outstanding Litigation and Defaults*" beginning on page 164 of this Draft Letter of Offer.

2. ***Investment in partly paid-up Equity Shares in the Issue is exposed to certain risks. The partly paid-up Equity Shares of our Company will not be traded with effect from the Call Record Date fixed for the determination of the Investors liable to pay at the First and Final Call. The holders of the partly paid up***

Equity Shares will not be able to trade in these shares till they are credited to the holders' account as fully paid-up.

The Issue Price of Equity Shares of our Company is ₹ [●] per Equity Share. Investors will have to pay ₹ [●] which constitutes [●] % of the Issue Price on application and the balance ₹ [●] which constitutes [●] % of the Issue Price on the First and Final Call made by our Company. The Equity Shares offered under the Issue will be listed under separate ISIN for the period as may be applicable prior to the record date for the First and Final Call. An active market for trading may not develop for the partly paid-up Rights Shares and, therefore, the trading price of the partly paid-up Rights Shares may be subject to greater volatility than our fully-paid Rights Shares.

If the Investor fails to pay the balance amount due with any interest that may have accrued thereon after notice has been delivered by our Company, then any of our Rights Shares in respect of which such notice has been given may, at any time thereafter, before payment of the call money and interest and expenses due in respect thereof, be forfeited by a resolution of our Board to that effect. Such forfeiture shall include all dividends declared in respect of such forfeited Rights Shares and actually paid before such forfeiture. Investors are only entitled to dividend in proportion to the amount paid up and the voting rights exercisable on a poll by Investors shall also be proportional to such Investor's share of the paid-up equity capital of our Company. If certain Investors do not pay the full amount, we may not be able to raise the amount proposed under the Issue.

The ISIN representing partly paid-up Equity Shares will be terminated after the Call Record Date. On payment of the First and Final Call in respect of the partly paid-up Equity Shares, such partly paid-up Equity Shares would be converted into fully paid-up Equity Shares and shall be listed and identified under the existing ISIN for the Equity Shares. Our Company would fix a Call Record Date for the purpose of determining the list of Allottees to whom the notice for First and Final Call would be sent. With effect from the Call Record Date, trading in the partly paid-up Equity Shares for which First and Final Call have been made would be suspended for such period as may be applicable under the rules and regulations. The holders of the partly paid-up Equity Shares will not be able to trade in these shares till they are credited to the holders account as fully paid-up Equity Shares.

3. ***We have not identified any alternate source of financing the 'Objects of the Issue'. If we fail to mobilize resources as per our plans, our growth plans may be affected.***

We have not identified any alternate source of funding and hence any failure or delay on our part to raise money from the Issue or any shortfall in the Issue Proceeds may delay the implementation schedule of our Project-I and Project – II and could adversely affect our growth plans. For further details please refer to the Section titled "*Objects of the Issue*" beginning on page 56 of the Draft Letter of Offer.

4. ***If our Company's contingent liabilities materialise, its results of operations could be adversely affected.***

The Company's contingent liabilities as of June 30, 2016 and March 31, 2016 include matters pending in respect of income tax and capital commitments for pending contracts.

Sl. No.	Nature of Liability	Amount as on June 30, 2016 (₹ in Lakhs)	Amount as on March 31, 2016 (₹ in Lakhs)
1.	In respect of Capital Commitments for Pending Contracts	100.00	180.00
2.	In respect of Disputed demand for Income tax	4.85	4.85
	Total	**104.85**	**184.85**

If any of these contingent liabilities materialise, fully or partly, the financial condition of our Company could be adversely affected. For further details, please see "*Financial Statements*" beginning on page 123 of this Draft Letter of Offer. If these or any other contingent liabilities materialise, the Company's results of operations could be adversely affected.

5. ***Our Registered office, corporate offices and the godown at Piplaj used by our Company for the purposes of our operations and business are on lease. Any termination of the lease agreements or failure to renew the lease could adversely affect our operations and business. Further, certain lease agreements entered into by us are not adequately stamped and have not been registered.***

Our Registered office and corporate offices and the godown at Piplaj are on lease from various lessors. Certain other premises used by us are also on a lease basis.

Our Registered Office is taken on long term lease from Gujarat Industrial Development Corporation vide Lease Agreement dated April 25, 2003 for a lease of 99 (ninety nine) years computed from May 28, 1992. Further, our Corporate Office is on lease from Ms. Archana Amin and Mr. Kandarp Amin through separate lease agreements dated April 1, 2010 for a period of 10 (ten) years and the Godown at Piplaj is also on lease from Mr. Kandarp Amin through separate lease agreement dated April 1, 2010 for a period of 10 (ten) years.

There can be no assurance that our Company will be able to successfully renew the lease agreements in a timely manner or at all. Further there can be no assurance that we will not face any disruption of our rights as a lessee and that such lease agreements will not be terminated prematurely by the lessor. Any such non-renewal or early termination or any disruption of our rights as lessee will adversely affect our business operations.

Further, some of these lease agreements, including that of our corporate office and godown at Piplaj, are neither adequately stamped nor registered. The potential consequence of this could be that in the event that there is any litigation over these properties in the future, these documents may not be permitted as evidence before a court of law. In case of any dispute in respect of these leave and license agreements before any judicial or alternative dispute resolution forums, the costs of dispute resolution could be extremely or prohibitively high.

6. ***We require certain statutory and regulatory permits, licenses and approvals in the ordinary course of our business and are required to comply certain rules and regulations to operate our business and failure to obtain, renew and maintain such statutory and regulatory permits, licenses and approvals or comply with rules and regulations, in a timely manner or at all may adversely affect our business, financial condition and results of operations.***

We require various statutory and regulatory permits, licenses and approvals to carry out our business and operations including environmental clearances and consents (cumulatively, the "***Approvals***"). A majority of the Approvals are granted for a limited duration and for a specific capacity and must be periodically renewed. We have applied for or are in the process of applying for such Approvals or their renewal. Further, our capacity for certain products varies at times to the Approvals. For further details, please see the chapter entitled '*Government and Other Statutory Approvals*' beginning on page 173 of this Draft Letter of Offer. While we have applied for some of these Approvals, we cannot assure you that such Approvals will be issued or granted to us in a timely manner, or at all. If we do not receive these Approvals or if we are unable to renew the Approvals in a timely manner, or at all, our business and operations may be adversely affected. Also variations, if any, to the Approvals, may entail action from the concerned authorities.

Further, the Approvals are subject to numerous conditions and there can be no assurance that the Approvals will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Suspension or revocation of the Approvals by the relevant regulatory authority, either on account of non-compliance or otherwise, would impair our Company's operations and, consequently, have an adverse effect on our business and financial condition. Our Company may also be liable to monetary penalties and imprisonment. For further details, please see the chapter entitled '*Government and Other Statutory Approvals'* on page 173 of this Draft Letter of Offer.

7. ***Our Promoters, Directors and key management personnel have interests in us other than reimbursement of expenses incurred or normal remuneration or benefits.***

Our corporate offices and the godown at Piplaj taken on lease from the Promoters of our Company. In terms of the said agreements, our Company is required to pay ₹15,000/- per month & ₹ 70, 000/- per month with 15% rent enhancement on every year on monthly rental amount respectively for corporate office and ₹ 50,000/- per month with 15% rent enhancement on every year on monthly rental amount to Promoters of the Company. Our Directors and Key Managerial Personnel are also interested in us to the extent of their shareholding, dividend entitlement.

8. ***Our Company has witnessed negative cash flows from investing activities and financing activities. Any negative cash flows in the future could adversely affect our results of operations and financial condition.***

Our cash flows for three months ended on June 30, 2016 and the Financial Year ending March 31, 2016, 2015 and 2014 are summarised below:

(₹ in Lakhs)

Particulars	Three months ended on	For the year ended on March 31,		
	June 30, 2016	2016	2015	2014
Net cash from/(used in) operating activities	132.46	89.20	169.40	112.82
Net cash from/(used in) investing activities	(814.42)	(810.04)	(205.57)	(45.76)
Net cash from/(used in) financing activities	649.86	712.75	73.83	(50.12)

If we experience any negative cash flow in the future, this could adversely affect our results of operations and financial condition. For further details, please refer to the section titled "*Financial Information*" beginning on page 123 of this Draft Letter of Offer.

9. ***A Group Entity of our Company has made loss in one of the lasy three financial years.***

Adonis Lifecare Private Limited, a group entity of our Company, incurred loss of ₹ 51.42 Lacs during the financial year 2015-16. The detail of loss making entity is as below:

Sl. No.	Name of Group Entity	FY 2015-16	FY 2014-15	FY 2013-14
1	Adonis Lifecare Private Limited	(51.42)	0.75	0.76

For further details about the group entity please see paragraph titled '*Our Group Entities*' on page 116 of this Draft Letter of Offer.

10. ***Our profitability and results of operations may be adversely affected in the event of increases in the price of raw materials, fuel costs, labour or other inputs, and our commitments to deliver our products to our clients / customers are dependent on adequate and timely supply of key raw materials.***

The cost of raw materials, fuel, labour and other inputs constitutes a significant part of our total expenses. Our manufacturing operations require various raw materials and packing material. The energy costs for operating our plants and other equipment also constitute a significant part of our operating expenses. Our ability to pass on increases in the purchase price of raw materials, fuel and other inputs may be limited in the case of fixed-price contracts or contracts with limited price escalation provisions. Our actual expense may vary substantially from the assumptions due to unanticipated increases in the cost of raw materials, fuel, labour or other inputs which may affect our business, financial condition and results of operations.

11. ***Substantial part of our revenue is generated from export business. Our inability to sustain current levels of export business may adversely affect our business, financial conditions, results of operations and profitability***

Out of total sales of ₹ 32,69,18,066 for FY 2015-16, Total Export Sales is ₹ 26,52,67,496 which constitutes 81.14% of total sales. Hence our inability to sustain the current levels of export business may adversely affect our business, financial conditions, results of operation and profitability.

12. ***Our manufacturing process involves generation of hazardous industrial chemicals which entails significant risks.***

Our manufacturing facilities produce various hazardous industrial chemicals including organic solids, and organic liquids, which may be harmful to humans and the environment. While our Company believes that it has necessary controls and processes in place, any failure of such systems, mishandling of hazardous chemicals or any adverse incident related to the use of these chemicals may cause industrial accidents, loss of human life

and/or environmental damage. If any industrial accident, loss of human life or environmental damage were to occur we could be subject to significant penalties, other actionable claims and, in some instances, criminal prosecution. Any such event would adversely affect our business, results of operations and reputation.

13. ***There is a qualification remark in auditors' report of our Company on Financial Statements for the financial year 2015-16.***

Statutory auditors have qualified the report on Financial Statements of our Company for the financial year 2015-16. Details are as here under:

Basis for Qualified Opinion

"The company had entered into derivative contract for sale of foreign currency with HDFC Bank Ltd. in financial year 2008-2009 which has resulted into loss to the tune of ' 1,97,52,367/- against which the sum of ' 55,06,598/- has already been paid to HDFC Bank Ltd. and charged to Statement of Profit and Loss in the aforesaid financial year. Consequent upon adjustment of fixed deposits amounting to ' 23,64,200/- against the balance loss of ' 1,42,45,769/- the liability on account of aforesaid loss, as per bank statement provided up to 31st January, 2013 stands to '1,47,07,069/- including interest, which has not been provided for by the company. Such non provision of liability has resulted into non-compliance of Accounting Standard 29 issued by Institute of Chartered Accountants of India and also resulted into understatement of current liabilities. Since the interest/charges, if any, for the period from 1st February, 2013 to 31st March, 2016 has not been intimated to company, the impact thereof on profit for the year under review could not be ascertained.

Had the observations made by us in Para (i) above been considered, there would have been loss for the year amounting to Rs. 48,492/- as against reported profit of Rs.1,46,58,577/-, current liabilities would have been Rs. 16,85,89,488/- as against reported current liabilities of 'Rs.15,38,82,419/-."

14. ***Some of our historical, legal and secretarial records are not traceable. Non-availability of these records exposes us to the risk of penalties that may be imposed by the competent regulatory authority in future.***

We do not have access to records and data pertaining to certain historical, legal and secretarial records and we have been not been able to locate many of our important corporate records. We have been unable to locate the copies of certain of our corporate records including but not limited to EGM Minutes pertaining to the year 1994, forms filed by us with the RoC and share transfer forms. While our Company believes that these records were duly filed with the RoC on a timely basis, we have been unable to obtain copies of these documents, including from the RoC. Our Company cannot assure you that these form filings will be available in the future or that it will not be subject to any penalty imposed by the competent regulatory authority in this respect. If RoC initiates proceedings for any actual or perceived irregularity in our compliance with reporting requirements in any future or historic periods, there may be an adverse effect on our business, results of operation and financial condition.

15. ***Delays associated with the collection of receivables from our clients may adversely affect our business and results of our operations.***

There may be delays associated with the collection of receivables from our clients and distributors. As on June 30, 2016, ₹ 31.29 Lakhs or 3.16 % of our total accounts receivable were outstanding for a period of more than six (6) months. Delayed collection of receivables could adversely affect our liquidity and results of operations.

16. ***Our Company proposes to increase its products offerings. If we do not successfully commercialise our products or if our commercialization is delayed, our business, financial condition and results of operations may be adversely affected.***

Our future results of operations depend, to a significant degree, upon our ability to successfully commercialize additional products in our key chemical areas. To develop our product pipeline, we commit substantial efforts, funds and other resources towards formulations and development. Our planned investments in plant and machinery, equipment for future expansion could result in higher costs, especially in the event of cost overruns, without a proportionate increase in revenues. If we are unable to develop and manufacture new products or if the commercialisation of our new products is delayed, our business, financial condition and results of operations may be adversely affected.

17. ***We are heavily reliant on our Key Management Personnel and persons with technical expertise. Failure to retain or replace them will adversely affect our business, results of operations and financial condition.***

Failure to retain or replace them will adversely affect our business. In order to successfully manage and expand our business, we are dependent on the services of Key Management Personnel, and our ability to attract, train, motivate and retain skilled employees, including technicians and other professionals. In addition, our business is technical in nature and requires personnel with requisite technical expertise. If we are unable to hire additional personnel or retain existing qualified personnel, in particular our Key Management Personnel and persons with requisite technical expertise, our operations and our ability to expand our business may be impaired. Further, we may be unable to hire and retain enough skilled and experienced employees to replace those who leave or may not be able to re-deploy existing resources successfully. Failure to hire or retain Key Management Personnel and skilled and experienced employees could adversely affect our business and results of operations.

18. ***Delay in raising funds from the Issue could adversely impact the implementation schedule which may adversely affect our cash flow position, our business, results of operations and financial condition.***

Our Company's proposed objects of the Issue are to be funded from the proceeds of this Issue. Any failure or any delay on our Company's part to mobilize the required resources through this Issue or any shortfall in the Issue proceeds may delay the implementation schedule. Our Company therefore, cannot assure that it would be able to execute the proposed plans within the given time frame, or within the costs as originally estimated by us. Any time overrun or cost overrun may adversely affect our cash flow position, our business, results of operations and financial condition. For details on schedule of implementation and use of proceeds see section "*Objects of the Issue*".

19. ***Our operations are subject to varied business risks and our insurance cover may prove inadequate to cover our economic losses.***

Our operations are subject to various risks and hazards which may adversely affect revenue generation and profitability. While we believe that we have taken adequate safeguards to protect our assets from various risks inherent in our business, including by purchasing and maintaining relevant insurance cover, it is possible that our insurance cover may not provide adequate coverage in certain circumstances.

We maintain insurance including cover for machinery, boiler & pressure plant policy, business interruption (fire) policy, burglary (single location) insurance policy, fire & special perils policy, public liability (industrial risks) insurance policy and money insurance policy. While we believe that we maintain sufficient insurance cover, certain types of losses may be either uninsurable or not economically viable to insure, such as losses due to acts of terrorism or war. Should an uninsured loss occur, we could lose our investment in, as well as anticipated profits and cash flows from the asset. In addition, even if any such loss is insured, there may be a significant deductible on any claim for recovery prior to our insurer being obligated to reimburse us for the loss, or the amount of the loss may exceed our coverage for the loss. Further, even in the case of an insured risk occurring there can be no assurance that we will be successful in claiming insurance in part or full, or the insurance purchased by us may be insufficient to cover the loss occasioned by the risk. Any loss that is not covered by insurance or for which we are unable to successfully claim insurance or which is in excess of the insurance cover could, in addition to damaging our reputation, have an adverse effect on our business, financial condition and results of operation. Further, an insurance claim once made could lead to an increase in our insurance premium.

20. ***If we fail to keep pace with advancements in technology in the chemical industry, create intellectual property, or respond to changes in market demand or client requirements, our business and financial results could be adversely affected.***

The chemical industry is characterized by frequent advancements in technology fuelled by high expenses incurred on research and development. To meet our clients' needs as well as keep pace with our competitors, we regularly update existing technology and acquire or develop new technology for our chemical manufacturing activities. In addition, rapid and frequent advancements in technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures and/or write-downs of assets. Our failure to anticipate or to respond adequately to advancements

in technology, changes in market demand or client requirements could adversely affect our business and financial results.

21. ***Our Company has entered into transactions with related party and may continue to do so in the future, which may potentially involve conflicts of interests with the Equity Shareholders.***

Our Company has entered into various transactions with related parties aggregating to ₹ 68.10 Lakhs, ₹ 940.06 Lakhs, ₹ 298.51 Lakhs and ₹ 442.86 Lakhs for the period ended on June 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 respectively. There can be no assurance that these transactions with such related parties have been entered into on an arm's length basis. Such agreements give rise to current or potential conflicts of interest with respect to dealings between us and such related parties. For further details, please refer to Annexure XXII titled "*Restated Statement of Related Parties*"" in the Section titled "*Financial Information*" beginning on page 145 of this Draft Letter of Offer.

22. ***If our Company is unable to respond effectively to competition, our business and our financial condition may be adversely affected.***

We operate in a competitive business environment where in various small-scale manufacturers are giving stiff competition in certain products. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins.

23. ***Our Company is subject to risks arising from interest rate fluctuations, which could adversely affect the financial results of our Company.***

As on September 30, 2016, our Company has outstanding term loans and working capital facilities to the tune of ₹ 1,494.29 Lakhs and ₹ 184.93 Lakhs respectively from Union Bank of India. Any increase in the interest rates could significantly raise the costs of borrowing adversely affecting the results of our Company.

24. ***We are heavily dependent on machinery for our operations. Any break-down of our machinery will have a significant impact on our business, financial results and growth prospects.***

Our manufacturing facility is heavily dependent on plant and machinery. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. Further, while we believe that we maintain necessary supplies of spare parts and maintenance related equipment, if we are unable to procure the necessary spare parts in a timely manner or if we are unable to repair the malfunctioning machinery promptly, our manufacturing operations may be hampered which could have an adverse impact on our results of operations and financial results.

25. ***The Company's ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

The amount of future dividend payments, if any, will depend upon the Company's future earnings, financial condition, cash flows, working capital requirements, the terms and conditions of the Company's indebtedness and capital expenditures. Any declaration and payment as well as the amount of dividend will also be subject to the constitutional and contractual documents including the Company's financing documents and applicable laws and regulations in India, including, in case of any final dividend, the approval of shareholders. There can be no assurance that the Company will be able to pay dividends in the future.

26. ***We have not registered our Company's name or logo " ARCHIT ORGANOSYS " as a trademark with Trademarks Registry.***

Our Company's name or logo ' ARCHIT ORGANOSYS ' is not a registered trademark with Trademarks Registry as on date. We sell our organic chemical products in the name of "Archit Organosys". As such, we do not enjoy the statutory protections accorded to a registered trademark as on date. There can be no assurance that we will be able to register our trade name, brand name or the logo in future or that, third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. Further, we cannot

assure you that any application for registration of our trademark in future by our Company will be granted by the relevant authorities in a timely manner or at all. If we fail to successfully obtain registration of our logo, we may have to change our logo leading to loss of recognition created by this logo. Any such restriction could have an adverse effect on our business, financial condition and results of operations.

RISKS SPECIFIC TO THE PROJECT

27. ***We have not, as on date of this Draft Letter of Offer, obtained certain licenses or approvals for the Bhavnagar Facility towards which funds are being raised through the Issue. Any delay or an inability to obtain approvals may adversely impact our ability to execute the project and, consequently, have a detrimental impact on our financial condition.***

As of the date of this Draft Letter of Offer, we have not obtained certain licenses or approvals from various authorities for setting up the manufacturing facilities at Bhavnagar including necessary environmental and Factories Act,1948 (Factories Act) related approvals. If we are unable to procure these approvals on time, or at all, we may be unable to set up the manufacturing facilities at Bhavnagar according to our projected timelines or at all. Our inability to set up the manufacturing facilities may have an adverse effect on our financial condition. For further details, please see the chapter entitled '*Government and Other Statutory Approvals*' on page 173 of this Draft Letter of Offer.

28. ***Our Company has not placed orders for some of the plant and machineries. In case of any escalation in prices of these machineries, our total project cost may increase which in turn will adversely affect our Company's financials.***

The Net Proceeds of this Issue are proposed to partly fund the proposed manufacturing facilities at Bhavnagar as explained in the Chapter titled "*Objects of the Issue*" beginning on page 56 of this Draft Letter of Offer. Our Company has placed the orders for important machineries and made the payments of ₹ 1,022.89 Lakhs towards supply of such machineries. Any delay in placing the orders or procurement for remaining machinery may result in a delay in implementing the proposed manufacturing facilities. Consequently, we may have to purchase such remaining machineries at a higher price affecting the project cost which may have an adverse effect on our Company's financials and profitability. For further details please refer to Chapter titled "*Objects of the Issue*" beginning on page 62 of this Draft Letter of Offer.

29. ***Our Company has availed unsecured loan aggregating ₹ 510 Lakhs, as of September 30, 2016, from the Promoters, group entities and others, some of which are repayable on demand. The portion of the issue proceeds is proposed to be utilised to repay the unsecured loans from the Promoters.***

As on September 30, 2016, our Company has availed unsecured loan of ₹ 510 Lakhs from the Promoters, and others, some of which are repayable on demand and any demand for repayment may adversely affect our cashflow. In the event that the Promoters or other lenders from whom we have availed unsecured borrowings, call in such loans in future, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. The part of the Net Proceeds of the Issue is proposed to be utilised to repay the existing unsecured loans from the Promoters. For further details please refer to Chapter titled "*Objects of the Issue*" beginning on page 56 of this Draft Letter of Offer.

30. ***The completion of the proposed manufacturing facilities is dependent on performance of various external agencies and any shortfall in the performance of these external agencies may adversely affect our expansion plans.***

The completion of setting up of the Bhavnagar Facility is dependent on performance of various external agencies, which are responsible for construction of buildings, installation and commissioning of plant and machinery and supply and testing of equipment. We cannot assure you that the performance of external agencies will meet the required specifications or performance parameters. If the performance of these agencies is inadequate in terms of the requirements, this may result in incremental cost and time overruns, which in turn may adversely affect our proposed manufacturing facilities.

31. ***Our agreements with lender for financial arrangements contain restrictive covenants for certain activities, it might impede our growth plans.***

Our Company has entered into agreements with Union Bank of India for long term borrowings and are subject to certain restrictive covenants. These agreements include restrictive covenants which mandate certain restrictions in terms of our business operations such as change in capital structure, formulation of any scheme of amalgamation or reconstruction, further expansion of business, which require our Company to obtain prior approval of the lenders for any of the above activities. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, results of operations and financial condition.

Further, our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, meet our contractual obligations, or to fund our other liquidity needs, we may be forced to sell assets or attempt to restructure or refinance our existing indebtedness. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances or other consequences could adversely affect our business, prospects, results of operations and financial condition.

32. ***The completion of our proposed manufacturing facilities is dependent on timely disbursements of funds from our lenders and any delay may adversely affect our expansion plan.***

Our Company has entered into agreements with Union Bank of India for long term borrowings. The funds may not be disbursed timely as per disbursement schedule, or at all. Any delay in timely disbursements of funds may result in incremental cost and delay in implementing the proposed expansion. For further details in relation to terms and conditions of loan facility obtained from Union Bank of India please refer to Chapter titled "*Financial Indebtedness*" beginning on page 161 of this Draft Letter of Offer.

33. ***The Objects of this Issue are based on the internal estimates of our management, and have not been appraised by any bank or financial institution. The deployment of funds in the project is entirely at our discretion and as per the details mentioned in section titled "Objects of the Issue".***

Our funding requirements, the funding plans and the deployment of the proceeds of the Issue are based on our management estimates and have not been appraised by any bank or financial institution. The deployment of funds in the manufacturing facilities at Bhavnagar is entirely at our own discretion and the same will not be monitored by any external agency. We may have to revise our management estimates from time to time and consequently our funding requirements may also change. The estimates contained in this Draft Letter of Offer may exceed the value that would have been determined by third party appraisals, which may require us to reschedule the deployment of funds proposed by us and may have a bearing on our expected revenues and earnings.

34. ***The deployment of the issue proceeds is entirely at the discretion of the Company and is not subject to any monitoring by any independent agency.***

The SEBI ICDR Regulations stipulates the appointment of monitoring agency only where the issue size is in excess of ₹50,000 Lakhs. Since the Issue is for less than ₹50,000 Lakhs, we will not be appointing a monitoring agency and the deployment of Issue Proceeds as stated in chapter entitled *'Objects of the Issue'* on page 56 of this Draft Letter of Offer will not be monitored by an independent agency.

RISK FACTORS IN RELATION TO THE ISSUE

35. ***You will not be able to immediately sell any of the Rights Shares you purchase in this Issue on the Stock Exchanges.***

Under the SEBI ICDR Regulations, our Company is permitted to allot Rights Shares within fifteen (15) days of the Issue Closing Date. Consequently, the Rights Shares you purchase in the Issue may not be credited to your dematerialized account with Depository Participants until fifteen (15) days of the Issue Closing Date.

36. ***There is no guarantee that the Rights Shares issued pursuant to the Issue will be listed on the BSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing of the Rights Shares issued pursuant to the Issue will not be granted until after such Rights Shares have been issued and allotted. Such approval will require all other relevant documents authorizing the issuing of Rights Shares to be submitted. There could be a failure or delay in listing these Rights Shares on the BSE. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Rights Shares.

37. ***Shareholders may be subject to Indian taxes arising out of capital gains on sale of the Rights Shares.***

Capital gains arising from the sale of the Equity Shares of a company are generally taxable in India. Any gain realized on the sale of listed equity shares on a stock exchange held for more than twelve (12) months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realized on the sale of equity shares held for more than twelve (12) months to an Indian resident, which are sold other than on a recognized stock exchange and as a result of which no STT has been paid, will be subject to capital gains tax in India. Further, any gain realized on the sale of listed equity shares held for a period of twelve (12) months or less will be subject to capital gains tax in India. Capital gains arising from the sale of the Rights Shares of our Company will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident.

Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gain upon a sale of the Rights Shares. For further details, please refer to the Chapter titled "*Statement of Tax Benefits*" beginning on page 69 of this Draft Letter of Offer.

EXTERNAL RISK FACTORS

38. ***Exchange rate fluctuations may affect our Company's business.***

A substantial portion of our net revenue is in Foreign Currency. Although our Company can hedge a portion of foreign exchange position through forward exchange contracts and derivatives, our Company may still be affected by fluctuations in exchange rates between the Indian rupee and foreign currencies. Any significant fluctuation in exchange rates may therefore materially affect our profitability.

39. **The proposed new taxation system could adversely affect the Company's and its Group Entities' business.**

The Government has proposed three major reforms in Indian tax laws, namely the goods and services tax, the direct taxes code and provisions relating to general anti-avoidance rules ("GAAR"). With regard to the implementation of the direct tax code, the Government has not specified any timeline for their implementation. The Union Budget 2015-16 and recently passed Constitutional Amendment Bill, indicated that the goods and services tax will be implemented from April 1, 2017. The goods and services tax would replace the indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state value-added tax, surcharge and excise currently being collected by the central and state governments. The direct taxes code aims to reduce distortions in tax structure, introduce moderate levels of taxation, expand the tax base and facilitate voluntary compliance. It also aims to provide greater tax clarity and stability to investors who invest in Indian projects and companies, as well as clarify the taxation provisions for international transactions. It aims to consolidate and amend laws relating to all direct taxes such as income tax, dividend distribution tax, fringe benefit tax and wealth tax in order to facilitate voluntary compliance.

With regard to GAAR, the provisions have been introduced by the Finance Act, 2012, and were scheduled to come into effect from April 1, 2013. However, in the Union Budget 2016, it was announced that modified provisions of GAAR will come into effect from the beginning of Fiscal Year 2017.

The GAAR provisions are intended to catch arrangements declared as "impermissible avoidance arrangements", which is defined in the Income Tax Act as any arrangement, the main purpose or one of the main purposes of which is to obtain a tax benefit. If GAAR provisions are invoked, then the tax authorities will have wide powers, including the denial of tax benefit or the denial of a benefit under a tax treaty. As the taxation system is intended to undergo a significant overhaul, the consequential effects on the Company cannot be determined as at the date of this Draft Letter of Offer and there can be no assurance that such effects would not adversely affect the Company's or its Group Entities' business(es), financial condition(s), results of operations and the trading price of the Rights Equity Shares.

40. ***Our ability to freely raise foreign capital may be constrained by Indian law.***

As an Indian company, the Company is subject to foreign exchange management regulations that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources and hence could constrain its ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that the required approvals will be granted on favourable terms or at all. Limitations on raising foreign debt may have an adverse effect on the Company's business, financial condition and results of operations.

41. ***Public companies in India, including the Company, may be required to prepare financial statements under IFRS or a variation thereof, the Indian Accounting Standards ("Ind AS"). The Company may be adversely affected by this transition to Ind AS.***

The MCA, pursuant to a notification dated February 16, 2015, has issued the Companies (Indian Accounting Standards) Rules, 2015 which lay down a roadmap for companies other than insurance companies, banking companies and non-banking finance companies for the implementation of Ind AS converged with IFRS. Accordingly companies in India, including the Company, having a net worth of more than ₹ 500 crores are mandatorily required to prepare annual financial statements under Ind AS from the financial year ending on March 31, 2017. Additionally, Ind AS has fundamental differences with IFRS and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS. The Company cannot assure investors that its financial condition, results of operations, cash flow or changes in shareholders' equity will not appear materially different under Ind AS from that under Indian GAAP or IFRS. As the Company has adopted the Ind AS reporting, it may encounter difficulties in the on-going process of implementing and enhancing its management information systems. There can be no assurance that the adoption of Ind AS will not adversely affect the Company's reported results of operations or financial condition.

42. ***Global economic downturn, adverse market conditions and a slowdown in the economic growth in India could cause the business of our Company to suffer.***

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

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

Any adverse revisions to India's sovereign credit ratings for domestic and international debt by international rating agencies may adversely affect our ability to raise additional financing and the interest rates and other

commercial terms at which such additional financing is available. This could have an adverse effect on our capital expenditure plans, business and financial performance and the price of our Equity Shares.

44. ***Investors may be adversely affected due to retrospective tax law changes by the Indian government affecting our Company.***

Certain recent changes to the Income Tax Act provide that income arising directly or indirectly through the sale of a capital asset of an offshore company, including shares, will be subject to tax in India, if such shares derive indirectly or directly their value substantially from assets located in India. The term '*substantially*' has not been defined under the Income Tax Act and therefore, the applicability and implications of these changes are largely unclear. Due to these recent changes, Investors may be subject to Indian income taxes on the income arising directly or indirectly through the sale of the Equity Shares. In the past, there have been instances where changes in the Income Tax Act have been made retrospectively and there cannot be an assurance that such retrospective changes will not happen again.

45. ***Political instability or significant changes in the economic liberalisation and deregulation policies of the Government or in the government of the states where the Company operates could disrupt its business.***

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

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

46. ***Natural disasters could have a negative impact on the Indian economy and damage the Company's facilities.***

The Company's manufacturing facilities are vulnerable to natural disasters. In addition, natural disasters such as floods, earthquakes, epidemics or famines have in the past had a negative impact on the Indian economy. If any such event were to occur, the Company's business could be affected due to the event itself or due to its inability to effectively manage the effects of the particular event. Potential effects include the damage to infrastructure and the loss of business continuity, business information or inventories of raw materials or finished goods. In addition, some of the Company's facilities are more suitable or possess specialised equipment necessary to work on specialised products that it's other locations lack. If work at one of these facilities is disrupted due to the occurrence of any such event, it may be impractical or impossible to transfer such specialised work to another facility without significant costs and delays. Thus, any disruption in operations at a facility possessing specialised equipment could have a material adverse effect on the Company's ability to provide products to its customers, and thus materially and adversely affect the Company. In the event that the Company's facilities are affected by any of these factors, its operations may be significantly interrupted, which may have a material adverse effect on its business, results of operations, financial condition and prospects.

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

The Companies Act, 2013 has been recently notified, except for certain provisions. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, and in certain cases, introduced certain requirements which did not have corresponding provisions under the Companies Act, 1956, such as provisions related to private placement of securities, disclosures in prospectus, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by Shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors

and Key Management Personnel from engaging in forward dealing. Accordingly, we may face challenges in interpreting and complying with such provisions due to the limited jurisprudence on them. In the event our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps.

In addition, pursuant to the corporate social responsibility (CSR) provisions contained in the Companies Act, 2013 our Company may also need to spend, in each financial year, at least two per cent (2%) of our average net profits during the three (3) immediately preceding financial years towards one of the specified CSR activities.

To ensure compliance with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention.

48. Significant differences exist between Indian GAAP and other accounting principles, such as IFRS, which investors may be more familiar with and may consider material to their assessment of the Company's financial condition.

As stated in the reports of the independent auditors included in this Draft Letter of Offer, the Company's financial statements are prepared and presented in conformity with Indian GAAP, which has been consistently applied during the periods stated, except as provided in such report. No attempt has been made to reconcile any of the information given in this Draft Letter of Offer to any other principles or to base it on any other standards. Indian GAAP differs in certain significant respects from IFRS and other accounting principles and auditing standards with which prospective investors may be familiar in other countries. If the financial statements of the Company were to be prepared in accordance with such other accounting principles, its results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of the Company's financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar.

Prominent Notes to Risk Factors

1. Issue of 1,00,42,200 Equity Shares of face value of ₹10 each for cash at a price of ₹ [●] each (including a share premium of ₹ [●] per Equity Share) aggregating to an amount ₹ [●] Lakhs to the existing Equity Shareholders of our company in the ratio of (2 (two) Shares for every 1 (one) fully paid up Equity Share(s)) held by the existing Equity Shareholders on the Record Date, i.e. [●]. The Issue Price for the Equity Shares is [●] times the face value of the Equity Shares.
2. The net worth of our Company as per the Restated Financial Information as of June 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 is ₹ 1200.81 Lakhs, ₹ 1,151.58 Lakhs, ₹ 404.99 Lakhs and ₹ 326.03 Lakhs, respectively. For further details, please see the section entitled '*Financial Information*' beginning on page 123 of this Draft Letter of Offer.
3. The NAV per Equity Share of our Company as per the Restated Financial Statement as of June 30, 2016, March 31, 2016, March 31, 2015 and March 31, 2014 is ₹ 23.78, ₹ 22.80, ₹ 13.28 and ₹ 10.69, respectively. For further details, please see the section entitled '*Financial Information*' beginning on page 123 of this Draft Letter of Offer.
4. Our Company has issued Equity Shares for consideration other than cash. For further details, please refer the chapter entitled *'Capital Structure'* on page 45 of this Draft Letter of Offer.
5. For information on changes in our Company's name and objects clause of the Memorandum of Association of our Company, please see the chapter entitled *'History and Certain Corporate Matters'* beginning on page 100 of this Draft Letter of Offer.
6. For the details of our transaction with the related parties during Financial Year 2015-16 as per AS-18, the nature of such transactions and the cumulative value such transactions, please see the chapter entitled *'Financial Information'* beginning on page 123 of this Draft Letter of Offer.
7. Except as disclosed in the chapters entitled *'Capital Structure' 'Our Promoter and Promoter Group'* and *'Our Management'* beginning on pages 45, 113 and 104 respectively of this Draft Letter of Offer, none of the Promoter, Directors or Key Management Personnel have any interest in our Company.
8. There has been no financing arrangement whereby the Promoter Group, the Directors of our Company and their relatives, have financed or agreed to finance the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six (6) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI.

9. Any clarification, information and complaints relating to the Issue shall be made available by the Lead Manager and our Company to the Investors at large and no selective or additional information would be available for a section of Investors in any manner whatsoever.
10. All grievances relating to ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs giving full details such as name, address of the Applicants, application number, number of Rights Shares applied for, application amounts, ASBA Account number and the Designated Branch of the SCSBs where the Composite Application Form has been submitted by the ASBA Investor. For contact details, please see the chapter entitled '*General Information*' beginning on page 40 of this Draft Letter of Offer.
11. Investors may contact Compliance Officer or the Lead Manager for any complaints pertaining to the Issue.

SECTION III– INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to IMF World Economic Outlook Update (January 2016), the Indian economy is expected to grow at 7.00-7.75% during FY 2016-17, despite the uncertainties in the global market. India's foreign exchange reserves stood at USD 360.00 billion by end of March 2016, as compared to USD 342.00 billion last year, according to data from the Reserve Bank of India (RBI).

The services sector of India contributes 65% to the Indian GDP while the manufacturing & industrial sector contributes 18% and the agriculture sector contributes 17%. The Gross Fixed Capital Formation (GFCF) at current prices stood at Rs 0.89 trillion (USD 131.36 billion) in the first quarter of 2016 while India's exports stood at USD 21.68 billion in July 2016. India's principal export partners are US, Germany, UAE, China, Japan, Thailand, Indonesia and European Union. The cumulative FDI inflows from April 2000 to March 2016 are USD 288.513 billion wherein Mauritius (33.24%), Singapore (15.90%), UK (8.01%), Japan (7.27%), USA (6.22%) and Netherlands (6.00%) were the principal investing nations channelling the investment into sectors such as Services (17.60%), Construction Development (8.38%), Computer Software and Hardware (7.28%), Telecommunications (6.37%), Automobile (5.22%), Drugs and Pharmaceuticals (4.80%), Chemical (4.12%) and Trading (4.12%)

Organic Chemicals

Introduction

Organic chemicals are a significant part of chemicals industry. Availability of natural gas for use as feedstock is a critical part of the production process for organics chemicals. For example, formaldehyde and acetic acid are important methanol derivatives and are used in numerous industrial applications. Similarly, Phenol is an aromatic compound and derived from Cumene, a benzene and propylene derivative.

Indian Organic Chemical Industry

Five major organic chemicals produced in India are Methanol, Aniline and its derivatives Formaldehyde, Acetic Acid and Phenol. Together, they contribute to 2/3rd of Indian basic organic chemical industry. The balance 1/3rd of the organic chemical consumption in the country is accounted for by several other wide varieties of chemicals like chloro methanes and ethyl acetates.

Market Trends

- Initial trends (Between FY 2001 and FY 2010) indicated a shift in production of bulk chemicals from OECD countries to economies in transition. However, the analysis indicates that few countries with economies in

transition are increasingly moving towards specialty and fine chemicals. This gradual shift is clearly visible in countries like China, India and Middle East.

- Consistent with trends from the past decade, China is expected to record highest annual growth rate in the bulk chemical production. On average China's chemical production is expected to grow at 10% between FY 2014 and FY 2021.

- Technology transfer happening from developed economies to economies in transition as a result of increased M&A activities, JVs and acquisitions has helped these economies play a larger role in the global market.

- Domestic utilization rates are expected to reach high levels of 90 % by the end of 2018, given the healthy growth in the end-user market.

- Government of India continues to provide duty protection to domestic manufacturers. Historically, the Government has also levied anti-dumping duty on import of phenol to protect domestic players from imports. In Oct 2008, an anti-dumping duty was levied on imports from Singapore, South Africa and EU for a period of 5 years. In 2010, anti-dumping duty of up to USD 547/ tonne was imposed on imports from Japan and Thailand for a period of five years. In 2014, anti-dumping duty of up to USD 80/ton was imposed on imports from China and up to USD 194/ton was imposed on imports from any country other than China for a period of six months.

Key Challenges

- Lack of world class infrastructure: Given the poor infrastructure with lack of adequate facilities at ports and railway terminals and poor pipeline connectivity, domestic manufacturers will continue facing difficulty in procuring raw materials at a cost competitive with the global peers.

- Power: Uninterrupted power supply plays a major role in the efficient production of chemicals. In India, power supply has not increased at the same rate as demand, leading to interruption in the supply. India's distribution losses which are well above the global benchmarks are only compounding the problem. Large Indian chemical companies have started investing in captive power plants to ensure continuous supply of power to their plants. But this problem is plaguing the small & medium players of the industry. Thus, uninterrupted power supply is a challenge that confronts the bulk chemical industry.

- Logistic Issues: Indian bulk chemical industry is mainly concentrated in the west in Gujarat. Though the manufacturers enjoy easy access to raw materials, they face difficulty in supplying to end-use industries which are located in southern & eastern regions. For example, soda ash manufacturers are located in Gujarat, whereas 40% of the end use industries (glass, detergent and soap units) are located in south. This increases the transportation cost, thus making imports cheaper when compared to internal transport. (USD 50 per metric tonne (PMT) freight cost for transportation from western part to eastern part compared to USD 25 to USD 30 PMT average freight for imports).

- Lack of cheaper raw material availability: Feedstock (naphtha and natural gas) and power are critical inputs for both organic& inorganic chemicals industry. Costs of these raw materials are high in India compared to countries like China, Middle East and other South East Asian countries such as Thailand and Indonesia.

- No domestic price discovery: Domestic prices of organic chemicals are highly correlated with international prices. Given the small scale of domestic operations, local manufacturers are more influenced by global demand and supply forces.

- Large global capacity additions: Apart from the current oversupply in global markets, there is another cause of concern for domestic manufacturers, with further large capacity additions happening in global markets. For example, globally, methanol industry is expected to witness excess capacity in the future due to a spate of capacity additions in gas rich countries such as US, Middle East and Russia.

Key Opportunities

- Improved feedstock supply: Domestic organic chemicals players don't have the advantages of backward integration and hence, they lack pricing flexibility. However, given the new finds of natural gas reserves in the country, domestic manufacturers will be able to get supply of feedstock at stable prices.

- Wider product portfolio: Commodity chemicals companies can improve their product portfolio by adding specialty chemicals such as polymers additives, water treatment chemicals, lubricating additives, etc. This will help in improving their margins but requires significant R&D efforts.

- Forward integration: Petrochemical companies producing benzene and propylene can look for forward integration opportunity given the demand-supply deficit in phenol market. Similarly, an opportunity exists for companies with better access to natural gas supply to venture into the methanol market facing continuous supply deficit.

- Outbound approach: Even successful companies from west are shifting their base to resource rich nations like Saudi Arabia, Qatar, Russia, etc. Indian organic chemical companies may also explore opportunities outside the country either through Greenfield or brownfield projects.

- Setting up of Chemical Parks or Mega Chemical Estates to Make in India: In order to address the issue of capacity expansion and for creation of common infrastructure, the chemical industry, with support of Government could establish exclusive Chemical Parks - a concept similar to the one set up in Germany. Each of the German chemical parks and sites has its particular strengths which are reflected in its individual portfolio of services. The object of these initiatives is to support the chemical sites in their respective regions and to make them better known internationally. To this end, the industries work closely with the governments of the individual states, municipalities, universities and economic development agencies under public-private partnership model.

- Coal to Chemical opportunity: With no improvements in sight in the domestic production of natural gas and crude oil, Indian bulk chemical manufacturers should actively pursue the coal to chemical process to ramp up their manufacturing capacities. Government should take cognizance of the issue and make policy changes to encourage this route of bulk chemical manufacturing.

Future Outlook

While domestic demand of basic organic chemicals is expected to grow at 9% in 2014-18, mainly led by the growth in the end-user market, domestic utilization rates of the Indian plants are expected to be around 90% by the end of 2018. Imports as a percentage of domestic consumption is expected to widen from the existing 11% to 20% by the end of 2018. According to a research report, the India organic chemical industry will grow at a considerable CAGR rate thus exceeding a target of 2,418.2 TMT by 2019 due to the increasing number of end user industries and rising number of PCPIRs.

SUMMARY OF BUSINESS

Overview

We are engaged in the manufacturing, marketing and sale of a variety of Organic Chemicals as well as in the marketing and sale of a variety of Organic Chemicals, Inorganic Chemicals, Dyes and Intermediates. We have an experience of 24 years in the manufacturing of Monochloroacetic Acid (MCA) & Sodium Monochloroacetate (SMCA), which is used in the synthesis of various Agricultural Chemicals, Cosmetic Surfactants, Oil Drilling Chemicals, Plastic Additives etc. We are an ISO 9001:2008 certified company with a fundamental focus to innovate, collaborate and enhance the process of serving products to the market and our customers. Over the years we have maintained a steady growth and have successfully expanded our business in USA, Europe, and Middle East and other countries.

Our present manufacturing facility is located at Plot No. 25/9-A & B Phase-III, GIDC Naroda, Ahmedabad, Gujarat, India (Naroda Unit) on a land area admeasuring 7,580 sq. mtrs. In order to expand our current manufacturing operations, our Company is in the process of establishing a new manufacturing facility at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India ("Bhavnagar Facility") on a land area admeasuring 56,656 sq. mtrs. In this regard, our Company has purchased the land and has started construction of the proposed plant. The Bhavnagar Facility will add to the production capacity of Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA) and will add Chloro Acetyl Chloride (CAC) as well as Polyaluminium Chloride (PAC) to our product portfolio. We propose to fund this expansion partly from the proceeds of the Issue. For further details, please refer to section titled "*Objects of the Issue*" beginning on page 56 of the Draft Letter of Offer.

Our Company has a well-established market of its own. The Promoters are actively connected with the customers. The major customers of the Company include several large Indian and International companies who are engaged in the Agrochemical Manufacturing Sector, Pharmaceuticals Manufacturing Sector and Cosmetics Manufacturing Sector.

Our Company's total revenue as restated in Fiscal 2016, Fiscal 2015and Fiscal 2014 was ₹ 5,157.61 lakhs, ₹ 5,594.67 lakhs and ₹ 4932.52 lakhs, respectively. Our Company's profit after tax as restated in Fiscal 2016, Fiscal 2015 and Fiscal 2014 was ₹ 146.59 lakhs, ₹ 79.56 lakhs and ₹ 59.59 lakhs, respectively. Our total revenue as restated in the three months ended June 30, 2016, was ₹ 1,056.38 lakhs.

Our Competitive Strengths

The following are our key strengths which we believe enable us to be competitive in our business:

Experienced Management Team and Technical Personnel

Our Company is led by an experienced and qualified management team. Mr. Kandarp Amin has an experience of 35 years in chemicals trading business and 20 years in manufacturing of chemicals, Ms. Archana Amin has an experience of about 12 years in procurement export business and production planning in the Chemical Industry. Mr. Archit Kandarp Amin and Mr. Suchit Kandarp Amin, having an experience of more than 8 years and more than 3 years respectively in the Chemical Industry, have been instrumental in developing and enhancing the quality of the product portfolio of the Company. Our technical team includes several persons who have an experience of more than 10 years' in the Chemical Industry. Our management and executive team have been instrumental in setting the business direction of our Company and they will continue to guide our Company in the expansion of our business with their experience and technical expertise.

Well Established Manufacturing Facilities and Production Operations Team

Our Company's manufacturing facility is located at Naroda, Ahmedabad, Gujarat. The manufacturing facility is equipped with all the requisite plant, equipment, machinery and infrastructure to enable our Company to produce high quality products in a cost efficient manner to the satisfaction and suited to the standards of our domestic and international customers.

Our production operations at our manufacturing facility is managed by a team of skilled technical engineers with the requisite technical know-how and science graduates with specialization in chemistry to carry out our

production processes. With the expertise of these technical persons, we have developed efficient production processes aimed to maximize yield and minimize costs.

A strong emphasis on Research and Development with well-equipped R & D facility

Our products are developed using in-house technologies through Research and Development carried out over a period of years with an emphasis on the specific requirements of our customers. This way we are able to better manage competition from other manufactures since our products are best suited to the requirements of our customers.

Our analytical laboratory is equipped with intermediate quality testing for in-process materials at different stages and quality control laboratory is equipped with testing procedures laid down for finished products ensuring that the quality is consistent and in line with the intended output. Moreover, our laboratory with our highly qualified technicians enables us to focus on process optimization, improvement to yields and waste minimization, so as to be cost effective in all our products.

Efficient Sales and Marketing with an increasing in market share in domestic and international markets

Our domestic and international marketing is carried out under the supervision of our Promoters, who are instrumental in designing various marketing and promotional strategies for our products. We believe that our strategic marketing, experienced Promoters and strong business relations would enable us to increase our sales across the market.

Consistent delivery of quality products

We offer quality products to our customers, many of whom are large international customers spread across USA, Europe, South America etc. Through our research and development efforts in improving our production processes, we have developed products suitable for use in a multitude of applications which we are able to sell at competitive prices through prudent cost controls.

Our Business Strategies

The key components of our strategy is to achieve best in class manufacturing and strengthen our position across our spectrum of the Chemical Industry by expanding our market share in India as well as in the International Markets. Our principal strategies to achieve these objectives include the following:

Enhancing our manufacturing facilities by adding new lines of manufacturing for new products

Our Company's latest manufacturing facility is under construction at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat to manufacture Chlorine Derivatives. The manufacturing technology and facility has been conceived and designed to enable the Company to manufacture MCA (Monochloro Acetic Acid) in a ultra-pure grade with less than 500 ppm impurity. Using this ultra-pure grade MCA, we shall be able to manufacture an ultra-pure grade Chloro Acetyl Chloride (CAC) as well. This will result in increase in efficiency, improvement in product quality and reduction in costs.

To expand our customer base in India

With an increased capacity at our upcoming manufacturing facility at Bhavnagar, our Company plans to strengthen its sales and marketing network in the domestic market as well by actively engaging with those Companies that are engaged in the Agrochemicals, Pharmaceuticals and Water Treatment Industry in India which have specific applications for the products manufactured by our Company.

Continue to focus on our export business

In FY16, exports constituted 81% of our manufactured turnover. We believe that our growth in international markets will result from the growing demand for our products. Our manufacturing facilities which are efficient and compliant with international products standards shall enable us to satisfy our international customers and increase our international business. We shall also work towards expanding our agent network in our current and planned export countries with effective Overriding Rate Commission arrangements as well as having offices in

certain strategic locations to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets..

Hire or Set up adequate warehousing facilities in international markets

In order to enhance our service support to our customers in international markets, we plan to hire or establish warehousing facilities in certain strategic locations in order to ensure that our products are delivered in a shorter time, be better engaged with our customers and facilitate their storage needs.

Our Products

Traded Products

Our Company is engaged in the trading of certain Organic and Inorganic Chemicals, Dyes and Intermediates.

Manufactured Products

Our Company is engaged in the manufacturing of certain Organic Chemicals namely, Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA). The details of our products are as under:

Our Manufacturing facilities

Our manufacturing facility is located at 25/9/A & B, Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330, Gujarat, India. We have an installed capacity to manufacture 6000 MT p.a. of MCA and 1800 MT p.a. of SMCA. We have made efforts to achieve high standards of quality of the products manufactured. Our manufacturing facility is ISO 9001:2008 certified.

Our Company proposes to set up another manufacturing facility to be located at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India. The land is purchased and the Plant is under construction. This proposed new manufacturing facility will add to the production capacity of MCA and SMCA and will also add Chloro Acetyl Chloride (CAC) and Polyaluminium Chloride (PAC) into our product portfolio, with an installed capacity of 3,000 MT p.a. of CAC and PAC with an installed capacity of 12,000 M.T. p.a. The installed capacity of producing MCA at new unit will be 12,000 MT p.a. and that of SMCA will be 2,400 MT p.a.

SUMMARY OF FINANCIAL INFORMATION

ANNEXURE - I : Restated Summary of Assets and Liabilities

(₹ in Lakhs)

Particulars	Annexure No.	As at 30th June, 2016	As at 31st March				
			2016	2015	2014	2013	2012
EQUITY AND LIABILITIES							
Shareholders' Fund							
Share Capital		503.48	503.48	303.48	303.48	303.48	303.47
Reserves and Surplus	VI	697.33	648.10	101.51	22.55	(37.04)	(88.06)
Money received Against Share Warrant		-	-	-	-	-	-
		1,200.81	1,151.58	404.99	326.03	266.44	215.41
Share Application Money Pending Allotment		-	-	-	-	-	-
Non-Current liabilities							
Long term borrowings	VII	1,153.55	303.74	135.92	150.36	180.00	207.26
Deferred tax liabilities(Net)	VIII	47.52	48.60	46.07	52.17	50.02	57.32
Other Long term Liabilities		-	-	-	-	-	6.15
Long term provisions	IX	9.26	9.14	6.40	9.43	9.67	10.63
		1,210.33	361.48	188.39	211.96	239.69	281.36
Current liabilities							
Short term borrowings	X	607.58	775.24	740.39	583.42	529.48	844.78
Trade payables	XI						
Due to Micro, Medium & Small Enterprise		47.10	38.46	49.33	-	-	-
Due to Others		547.83	579.21	774.06	821.63	431.50	613.63
Other current liabilities	XII	247.08	262.45	228.92	165.30	173.07	222.95
Short term provisions	XIII	53.39	30.75	41.80	4.68	0.66	2.86
		1,502.98	1,686.11	1,834.50	1,575.03	1,134.71	1,684.22
Total		3,914.12	3,199.17	2,427.88	2,113.02	1,640.84	2,180.99
ASSETS							
Non-Current assets							
Fixed assets							
Tangible assets		604.29	613.98	617.02	518.63	494.30	540.61
Intangible assets		-	-	0.01	0.01	0.08	0.16
Capital Work in Progress		1,639.41	824.91	46.04	-	-	-
Intangible assets under development							
		2,243.70	1,438.89	663.07	518.64	494.38	540.77
Non-Current Investment		-	-	-	-	-	-
Deferred Tax Assets		-	-	-	-	-	-
Long term Loans and Advances	XIV	202.52	85.73	6.71	10.55	4.58	4.03
Other Non-Current Assets		-	-	-	-	-	11.37
		202.52	85.73	6.71	10.55	4.58	15.40
Current Assets							

Particulars	Annexure No.	As at 30th June, 2016	As at 31st March				
			2016	2015	2014	2013	2012
Current Investments							
Inventories	XV	216.21	278.14	326.23	101.24	129.52	159.44
Trade receivables	XVI	991.67	1,107.91	1,161.97	1,366.33	888.01	1,168.61
Cash & cash equivalents	XVII	51.05	89.39	91.57	53.37	36.42	232.64
Short term – Loans & advances	XVIII	206.97	197.36	177.41	61.06	86.49	61.61
Other Current Assets	XIX	2.00	1.75	0.92	1.83	1.44	2.52
		1,467.90	1,674.55	1,758.10	1,583.83	1,141.88	1,624.82
Total		3,914.12	3,199.17	2,427.88	2,113.02	1,640.84	2,180.99

ANNEXURE - II: Restated Summary Statement of Profits and Losses

(₹ in Lakhs)

Particulars	Annexure No.	For the period ended 30th June, 2016	For the year ended On 31st March				
			2016	2015	2014	2013	2012
REVENUE							
Revenue from operations	XXIV	1,062.45	5,204.63	5,667.82	5,078.93	3,910.16	4,738.85
Less: Excise Duty		(9.13)	(69.26)	(114.08)	(157.89)	(70.19)	(95.34)
		1,053.32	5,135.37	5,553.74	4,921.04	3,839.97	4,643.51
Other Income	XXV	3.06	22.24	40.93	11.48	81.36	135.48
Total Revenue		1,056.38	5,157.61	5,594.67	4,932.52	3,921.33	4,778.99
EXPENSES							
Cost of Material Consumed		311.03	1,809.36	2,038.96	1,860.27	1,435.71	1,571.43
Purchase of Stock in Trade		320.94	1,752.26	2,278.68	1,892.25	1,284.87	2,277.41
Change in inventories		88.87	4.45	(143.05)	8.17	(1.62)	28.61
Employee benefits expenses	XXVI	57.27	207.68	175.29	146.41	124.08	105.30
Finance cost	XXVII	30.16	82.84	89.13	74.42	95.03	104.50
Depreciation and Amortization		10.32	39.79	42.86	29.90	32.63	36.87
Manufacturing and Other Expenses	XXVIII	167.64	1,029.11	972.08	832.36	883.53	574.56
Total Expenses		986.23	4,925.49	5,453.95	4,843.78	3,854.23	4,698.68
Profit before Tax		70.15	232.12	140.72	88.74	67.10	80.31
Tax Expenses							
Current Tax		22.00	83.00	55.00	27.00	35.01	16.01
Tax in respect of Earlier Years			-	0.63	-	-	-
MAT Credit Entitlement			-	11.64	-	(11.64)	-
Deferred Tax		(1.08)	2.53	(6.11)	2.15	(7.29)	(2.88)
		20.92	85.53	61.16	29.15	16.08	13.13
Profit for the year after tax		49.23	146.59	79.56	59.59	51.02	67.18
Earning per Equity Share:							
Basic and diluted (Refer note below)		0.97	4.62	2.61	1.95	1.67	2.20

Note: Pursuant to issue of 20,00,000 Equity Shares during the Financial Year 2015-16,the weighted average number of Equity Shares has been considered for the purpose of computation of EPS.

ANNEXURE - III: Restated Summary Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the period Ended 30th June 2016	For the year ended On 31st March				
		2016	2015	2014	2013	2012
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	70.15	232.12	140.72	88.74	67.10	80.31
Adjustments for:						
Income Tax Expense	10.32	-	(0.63)	-	(0.01)	(0.01)
Depreciation and Amortization	-	39.79	42.86	29.90	32.63	36.87
Loss on Asset Discarded		-	-	-	-	0.28
Profit/(Loss) on sale of Fixed Assets	-	(0.20)	23.82	0.92	27.80	(52.54)
Interest Expense	30.17	82.84	89.13	74.42	95.04	165.04
Interest Income	(0.95)	(6.22)	(5.23)	(9.71)	(7.64)	(17.84)
Operating profit before working capital changes	109.69	348.33	290.67	184.27	214.92	212.11
Adjustments for:						
Trade Receivables	116.24	54.06	204.36	(478.32)	286.02	(193.22)
Short term loan and advances	(126.40)	(98.97)	(112.51)	19.46	(25.43)	67.13
Inventories	61.92	48.10	(224.99)	28.28	29.92	9.70
Trade payables	(22.73)	(239.05)	35.09	390.11	(182.13)	(71.39)
Other Current Liabilities	(7.02)	69.25	13.14	(7.79)	(52.93)	(33.77)
Other Bank Balances	-	(0.28)	0.08	(0.01)	10.36	(11.51)
Cash generated from operations	131.70	181.44	205.84	136.00	280.73	(20.95)
Direct taxes Refund/(paid)	0.76	(92.24)	(36.44)	(23.18)	(25.98)	(0.66)
Net cash from operating activities [A]	132.46	89.20	169.40	112.82	254.75	(21.61)
[B] Cash flow from investing activities						
Purchase of fixed assets	(815.12)	(818.68)	(213.70)	(57.20)	(22.63)	(51.56)
Sale of Fixed Assets	-	3.25	2.00	2.12	8.60	106.38
Interest received	0.70	5.39	6.13	9.32	8.72	17.56
Net cash used in investing activities [B]	(814.42)	(810.04)	(205.57)	(45.76)	(5.31)	72.38
[C] Cash flow from financing activities						
Procurement/(Repayment) of long/ short term borrowings	680.03	203.01	155.54	24.30	(342.57)	260.99
Calls in Arrears Received	-	-	-	-	0.01	-
Issuer of Equity Share Capital	-	200.00	-	-	-	-
Security Premium Received	-	400.00	-	-	-	-
Interest Paid	(30.17)	(90.26)	(81.71)	(74.42)	(95.04)	(165.04)
Net cash flow from financial activities [C]	649.86	712.75	73.83	(50.12)	(437.60)	95.95
Net Increase/(Decrease) in cash and cash equivalents[A+B+C]	(32.10)	(8.09)	37.66	16.94	(188.16)	146.72

Particulars	For the period Ended 30th June 2016	For the year ended On 31st March				
		2016	2015	2014	2013	2012
Cash and cash equivalents opening	81.78	89.87	52.21	35.27	223.43	76.71
Cash and cash equivalents closing	49.68	81.78	89.87	52.21	35.27	223.43

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the chapter titled "***Terms of the Issue***" on page 188 of this Draft Letter of Offer:

Equity Shares to be Issued	1,00,42,200 Equity Shares
Rights Entitlement for Equity Shares	2 Equity Share(s) for every 1 fully paid-up Equity Share(s) held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 10
Issue Price per Equity Share	₹ [●]
Equity Shares outstanding prior to the Issue	50,21,100[(1)]
Equity Shares outstanding after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	1,50,63,300
Money Payable at the time of Application	[●]
Balance Money Payable at the time of First and Final Call	[●]
Terms of the Issue	For more information, please see the section titled "*Terms of the Issue*" on page 188 of this Draft Letter of Offer.
Use of Issue Proceeds	For more information, please see the section titled "*Objects of the Issue*" on page 56 of this Draft Letter of Offer.
First and Final Call Payment Period	A period as may be fixed by the Board to enable the payment of the First and Final Call by the holders of partly paid-up Rights Shares.

[(1)]28,900 partly paid up Equity Shares have been forfeited on account of non-payment of allotment monies in terms of the provision of AOA of the Company pursuant to resolution passed by the Board of our Company at its meeting held on September 24, 2016. BSE Limited had confirmed the forfeiture vide Notice no. 20161013-29 dated October 13, 2016 and the Company has made necessary filings to effect the corporate action for the forfeiture of partly paid-up Equity Shares with the Depositories.

Terms of Payment:

Amount payable per Rights Equity Share*	**Face Value (₹)**	**Premium (₹)**	**Total (₹)**
On Application	5.00	[●]	[●]
On First and Final Call	5.00	[●]	[●]
Total	**10.00**	[●]	[●]

**For details, refer to the chapter 'Terms of the Issue' beginning on page 188 of this Draft Letter of Offer.*

GENERAL INFORMATION

Our Company was originally incorporated as 'Shri Chlochem Limited' on August 4, 1993 as a public limited company under Companies Act, 1956 with one of the object of taking over the running unit of M/s. Chlochem Industries, a partnership firm in which the erstwhile promoters of the Company were partners. Our Company was granted certificate of commencement of business dated September 23, 1993. Subsequently, pursuant to a special resolution of the shareholders dated April 28, 2012, the name of our Company was changed to 'Archit Organosys Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on May 19, 2012. For details of change in the name and registered office of our Company, see section "*History and Certain Corporate Matters*" on page 100 of Draft Letter of Offer.

Registered Office of our Company

Archit Organosys Limited
Plot No 25/9-A,
Phase-III GIDC Naroda,
Ahmedabad - 382330,
Gujarat, India
Telephone: +91-79-22821154
Facsimile: +91-79-22822007
Website: www.architorg.com
E-mail: share@architorg.com
CIN: L24110GJ1993PLC019941

Corporate Office
4th Floor, 402-403, Smit Complex,
B/H, Navrangpura Post Office,
Navrangpura, Ahmedabad – 380 009
Tele**phone:** +91-79-26563035, 26448514
Facsimile:+91-79-26564964
E-mail: share@architorg.com

For more information on the changes in the name and Registered Office of our Company, please refer to the chapter titled "*History and Certain Corporate Matters"* beginning on page 100 of this Draft Letter of Offer.

Address of the ROC

Our Company is registered with the ROC, which is situated at the following address:

Registrar of Companies
ROC Bhavan, Opp Rupal Park Society,
Behind Ankur Bus Stop,
Naranpura, Ahmedabad-380013,
Gujarat, India.

Board of Directors of our Company

Our Board of Directors comprises of the following directors as on the date of filing of this Draft Letter of Offer:

Sr. No.	Name of the Director	Designation	Nature of Directorship	DIN
1.	Mr. Kandarp Amin	Chairman and Whole-time Director	Executive Director	00038972
2.	Ms. Archana Amin	Whole-time Director	Executive Director	00038985
3.	Mr. Bhupendra Vishnuprasad Mehta	Director	Independent and Non-Executive Director	00133677

Sr. No.	Name of the Director	Designation	Nature of Directorship	DIN
4.	Mr. Haresh Kanaiyalal Shah	Director	Independent and Non-Executive Director	00133704
5.	Mr. Rajendraprasad Jethalal Shah	Director	Independent and Non-Executive Director	01982424

For detailed profile of our Directors and CFO under the Companies Act, please refer to the chapter titled ***"Our Management"*** on page 104 of this Draft Letter of Offer.

Company Secretary and Compliance Officer

Ms. Ami Suthar
4th Floor, Smit Complex,
B/H, Navrangpura Post Office,
Navrangpura, Ahmedabad – 380 009
Telephone: +91-79-26563035, 26448514
Facsimile: +91-79-26564964
E-mail: share@architorg.com

Chief Financial Officer

Mr. Bhartkumar Motibhai Shrimali
4th Floor, Smit Complex,
B/H, Navrangpura Post Office,
Navrangpura, Ahmedabad – 380 009
Telephone: +91-79-26563035, 26448514
Facsimile: +91-79-26564964
E-mail: sales@architorg.com

Lead Manager to the Issue

Vivro Financial Services Private Limited
Vivro House, 11, Shashi Colony,
Opposite Suvidha Shopping Center, Paldi,
Ahmedabad – 380007, Gujarat, India.
Telephone: +91-79-40404242
Facsimile: +91-79-26650570
Email: archit@vivro.net
Website: www.vivro.net
Investor Grievance Email: investors@vivro.net
Contact Person: Ms. Mili Khamar/ Mr. Harish Patel
SEBI Registration Number: INM000010122

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compoumd,
L.B.S. Marg, Bhandup (W), Opposite Kasturba Hospital Lane,
Lower Parel (East)
Mumbai - 400078, Maharashtra, India
Telephone: + 91 22 6171 5400
Facsimile: +91 22 2596 0329
Email: aol.rights@linkintime.co.in
Website: www.linkintime.co.in
Investor Grievance Email: aol.rights@linkintime.co.in
Contact Person: Mr. Dinesh Yadav
SEBI Registration Number: INR000004058

Note: Investors are advised to contact the Lead Manager, Registrar to the Issue or our Company Secretary and Compliance Officer for any pre-issue or post-issue related problems such as non-receipt of Abridged Letter of Offer / CAF / Letter of Allotment, Split Application Forms, share certificate(s) or Refund Orders, etc. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, ASBA Account number and the Designated Branch of the SCSBs, number of Equity Shares applied for, amount blocked, where the CAF or the plain paper application, was submitted by the ASBA Investors.

Legal Advisor to the Issue
Wadia Ghandy & Co. (Ahmedabad)
Advocates & Solicitors
1st Floor, Chandan House,
Near Mayor's Bungalow,
Law Garden, Ahmedabad -380006.
Tel: +91 79 2656 4700/ 2656 4800
Fax: +91 79 2656 4300
Contact Person: Mr. Tanvish Bhatt
E-mail: tanvish.bhatt@wadiaghandy.com

Statutory Auditor of our Company

G.K. Choksi & Co.
Chartered Accountants,
61, Madhuban, Near Madalpur Underbridge,
Ellisbridge, Ahmedabad, 380006 Gujarat, India
Telephone: +91 – 79 30012009
Facsimile: +91 – 79- 26569929
Email: info@gkcco.com
Contact Person: Mr. Sandip A. Parikh
Membership No.: 040727
Firm Registration No.: 101895W
Peer Review Certificate No.: 008731

Bankers to our Company

Union Bank of India
Ellisbridge Branch,
Karaka building no.1, Ashram road,
Ahmedabad.380009
Telephone: +91 –079-26585314
Email: cbsellisbridge@unionbankofindia.com
Website: www.unionbankofindia.co.in
Contact Person: Mr. Ketan Desmukh

Bankers to the Issue and Refund Bank

The Bankers to the Issue and Refund Bank will be appointed prior to filing of Letter of Offer with the Stock Exchange.

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as SCSB for the ASBA process is provided on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1470396128652.html Details relating to designated branches of SCSBs collecting the ASBA application forms are available at the above mentioned link.

Subscription by Promoter and Promoter Group

The Promoter and the Promoter Group of our Company through their letters dated October 14, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

1. Mr. Kandarp Amin;
2. Ms. Archana Amin;
3. Mr. Archit Kandarp Amin; and
4. Mr. Suchit Kandarp Amin

Further, the Promoters and the Promoter Group may also apply for Additional Rights Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of Additional Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in Securities Contracts (Regulation) Rules, 1957 and the Listing Regulations.

In case the Rights Issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Experts Opinion

Our Company has received consent from the Statutory Auditors, G.K. Choksi & Co., Chartered Accountants to include their name as an "expert" under Section 2(38) read with Section 26 of the Companies Act in this Draft Letter of Offer in relation to their report dated October 14, 2016 on the Restated Audited Financial Statements for the Financial Year ended on March 31, 2016, 2015, 2014, 2013, and 2012 and audited financial statements for the three months ended June 30, 2016 of our Company provided under chapter titled "*Financial Statements*" on page 123 of this Draft Letter of Offer and the Statement of Tax Benefits dated October 14, 2016 on page 69 of this Draft Letter of Offer. Further, this consent has not been withdrawn as of the date of this Draft Letter of Offer.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date	**[●]**
Last Date for request for Split Application Forms	**[●]**
Issue Closing Date	**[●]**

Statement of responsibilities of the Lead Manager to the Issuer

Vivro Financial Services Private Limited is the Lead Manager to the Issue and all the responsibilities relating to coordination and other activities in relation to the Issue shall be performed by them. The various activities have been set forth below:

Sr. No.	Activities
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due Diligence of the Company, drafting and design of the Letter of Offer, the Abridged Letter of Offer, the CAF and of the advertisement or publicity material including newspaper advertisements and brochure / memorandum containing salient features of the offer document.
3.	Selection of various agencies connected with the issue, namely Registrars to the Issue, Bankers to the

Sr. No.	Activities
	Issue, printers, advertising agencies, etc. as may be applicable.
4.	Drafting and approval of all publicity material including statutory advertisements, corporate advertisements, brochures, corporate films, etc.
5.	Liaisoning with the Stock Exchange and SEBI for pre-Issue activities, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchange and SEBI.
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as Registrars to the Issue, Bankers to the Issue, Self-Certified Syndicate Banks, etc.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act, 2013.

Credit rating

This being a Rights Issue of Equity Shares, no credit rating is required.

Debenture Trustee

As the Issue is of Equity Shares, the appointment of a debenture trustee is not required.

Book Building Process

As the Issue is a Rights Issue, the Issue will not be made through the book building process.

Monitoring Agency

In terms of Regulation 16(1) of the ICDR Regulations an issuer is required to appoint a monitoring agency if the issue size is in excess of ₹ 50,000 Lakhs. Since the size of present issue is less than ₹ 50,000 Lakhs our Company is not required to appoint a monitoring agency for the purpose of this Issue. Our Board and the Audit Committee of our Board will monitor the use of proceeds of this Issue in accordance with applicable law.

Appraising Agency

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

Issue Grading

As the Issue is a Rights Issue, grading of the Issue is not required.

Principal Terms of Loans and Assets charged as Security

For the principal terms of loans and assets charged as security, please refer to the chapters titled *"Financial Statements" and "Financial Indebtedness"* on pages 123 and 161 of this Draft Letter of Offer.

CAPITAL STRUCTURE

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

(₹In Lakhs, except the shares data)

		Aggregate value at face value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**		
	2,50,00,000 Equity Shares of ₹10 each	25,00.00	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE ISSUE**		
	50,21,100[(1)] Equity Shares of ₹10 each	502.11	
C.	**PRESENT ISSUE BEING OFFERED TO THE EXISTING EQUITY SHAREHOLDERS THROUGH THIS DRAFT LETTER OF OFFER***		
	1,00,42,200 Equity Shares at an Issue Price of ₹[●] per Equity Share	1,004.20	[●]
D.	**ISSUED, SUBSCRIBED AND PAID UP CAPITAL AFTER THE ISSUE**		
	1,50,63,300[(2)] Equity Shares at an Issue Price of ₹[●] per Equity Share	1,506.33	[●]
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	400.00	
	After the Issue	[●]	

[(1)]28,900 partly paid up Equity Shares have been forfeited on account of non-payment of allotment monies in terms of the provision of AOA of the Company pursuant to the resolution passed by the Board of our Company at its meeting held on September 24, 2016. BSE Limited had confirmed the forfeiture vide Notice no. 20161013-29 dated October 13, 2016 and the Company has made necessary filings to effect the corporate action for the forfeiture of partly paid-up Equity Shares with the Depositories.

[(2)] Assuming full subscription for and allotment of the Rights Entitlement

**The Issue has been authorised by a resolution of our Board passed at its meeting held on July 15, 2016 pursuant to Section 62(1)(a) of the Companies Act, 2013 and by a special resolution passed by the shareholders of our Company at their AGM held on August 16, 2016.*

Changes in authorised share capital

The initial authorised capital of our Company was ₹5.00 Lakhs consisting of 50,000 Equity Shares of ₹10 each. Further, the authorised share capital of our Company has been altered in the manner set forth below:

Date of shareholding's meeting/Postal ballot result	Particulars of Change		AGM/EGM/ Postal Ballot
	From	To	
February 11, 1994	₹5 Lakhs consisting of 50,000 Equity Shares of ₹10 each	₹130.00 Lakhs consisting of 13,00,000 Equity Shares of ₹10 each	Note:1
May 11, 1994	₹130.00 Lakhs consisting of 13,00,000 Equity Shares of ₹10 each	₹330.00 Lakhs consisting of 33,00,000 Equity Shares of ₹10 each	EGM
February 18, 2016	₹330.00 Lakhs consisting of 33,00,000 Equity Shares of ₹10 each	₹1000.00 Lakhs consisting of 1,00,00,000 Equity Shares of ₹10 each	EGM
August 16, 2016	₹1000.00 Lakhs consisting of 1,00,00,000 Equity Shares of ₹10 each	₹2500.00 Lakhs consisting of 2,50,00,000 Equity Shares of ₹10 each	AGM

Note:1- Our Company does not have the secretarial record pertaining to the meeting relating to this increase in authorized share capital. For further details, please refer to the chapter titled "Risk Factors" on page 14 of this Draft Letter of Offer.

NOTES TO THE CAPITAL STRUCTURE

1. Share Capital History of our Company

a. The history of the Equity Share capital and securities premium account of our Company is detailed in the following table:

Date of allotment of the Equity Shares	No. of Equity Shares allotted	Face value (₹)	Issue Price per Equity Shares (₹)	Nature of consideration	Mode of allotment	Cumulative number of Equity Shares	Cumulative Paid up Equity Share Capital (₹)	Cumulative Share Premium Account (₹in Lakhs)
June 21, 1993	900	10	10	Cash	Subscription to MoA	900	9,000	0
February 18, 1994	3,19,422	10	10	Other than Cash	Allotment against the takeover of M/s. Chlochem Industries	3,20,322	32,03,220	0
March 31, 1994	1,32,500	10	10	Cash	Preferential Allotment	4,52,822	45,28,220	0
April 18, 1994	3,39,800	10	10	Cash	Preferential Allotment	7,92,622	79,26,220	0
July 23, 1994	1,57,378	10	10	Cash	Preferential Allotment	9,50,000	95,00,000	0
September 27, 1994	21,00,000	10	10	Cash	Initial Public Offer	30,50,000	3,03,47,850[(1)]	0
March 09, 2016	20,00,000	10	30	Cash	Preferential Allotment	50,50,000	5,03,47,850	400
September 24, 2016	(28,900)[(2)]	10	NA	NA	Forfeiture of 28,900 partly paid up Equity Shares	50,21,100	5,02,11,000[(3)]	0

[(1)]*The Company came out with a public offer in the year 1994 and issued 21,00,000 Equity Shares calling ₹ 5/- on application and ₹ 5/- at the time of allotment. As the issue was oversubscribed, the excess money received by the Company was adjusted against the share allotment money. Subsequently the Company issued notice for calling the outstanding share allotment money on the partly paid-up Equity Shares allotted by the Company and has received certain monies towards the same. As on March 31, 2016 an amount equal to ₹ 1,52,150 was outstanding against the partly paid Equity Shares issued by the Company.*

[(2)] *28,900 partly paid up Equity Shares have been forfeited on account of non-payment of allotment monies in terms of the provision of AOA of the Company and pursuant to the resolution passed by the Board of our Company at its meeting held on September 24, 2016.*

[(3)] *BSE Limited had confirmed the forfeiture vide Notice no. 20161013-29 dated October 13, 2016 and the Company has made necessary filings to effect the corporate action for the forfeiture of partly paid-up Equity Shares with the Depositories.*

b. Issue of Equity Shares allotted for consideration other than cash:

The Company has not issued any Equity Shares for consideration other than cash. Except as set out below:

Date of allotment	Name of the allottee(s)	No. of Equity Shares Allotted	Face value per Equity Shares (₹)	Nature of consideration	Reason for allotment	Benefit accrued
February 18, 1994	*Refer note below*	3,19,422	₹ 10/-	Other than cash	Consideration paid for takeover of partnership firm M/s.Chlochem Industries	Nil

Note: Our Company does not have the secretarial record pertaining to allottee details for allotment made other than by way of cash. For further details, please refer to the chapter titled "Risk Factors" on page 20 of this Draft Letter of Offer.

c. Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

[●]*
** Will be updated at the time of filing of Letter of Offer*

2. History of the Equity Share capital held by our Promoter:

a. Details of the build-up of shareholding of Promoter and Promoter Group in our Company:

1. Promoters:

i. Mr. Kandarp Amin

Date of allotment/ Transfer	No. of Equity Shares**	Face value (₹)	Issue Price /average acquisition price per Equity Share (₹)	Percentage of the pre-Issue Capital (%)	Percentage of the post- Issue Capital (%)	Cumulative number of shares	Reason for allotment/ transfer
January 10, 2005	1,16,133	10	3	2.31	0.77	1,16,133	Prior to Open Offer
May 5, 2005	1,37,882	10	3	2.75	0.92	2,54,015	By way of Share Purchase Agreement
May 5, 2005	2,51,900	10	4	5.02	1.67	5,05,915	Fully paid-up shares acquired from Open Offer
May 5, 2005	5,900	10	7	0.12	0.04	5,11,815	Partly paid-up shares acquired from Open Offer
June 27, 2005	1,33,692	10	4	2.66	0.89	6,45,507	Off-market purchase
February 10, 2010	2,000	10	8	0.04	0.01	647,507	Off-market transfer
March 20, 2010	15,000	10	8	0.30	0.10	662,507	Off-market transfer
July 13, 2010	4,500	10	10	0.09	0.03	667,007	Off-market transfer
February 24, 2011	1,500	10	10	0.03	0.01	668,507	Off-market transfer
May 9, 2011	3,100	10	8.13	0.06	0.02	671,607	Off-market transfer
May 19, 2011	1,500	10	8.69	0.03	0.01	673,107	Open market transfer
May 27, 2011	2,000	10	8.63	0.04	0.01	675,107	Open market transfer
June 15, 2011	1,900	10	9.08	0.04	0.01	677,007	Open market transfer
June 20, 2011	200	10	10	0.00	0.00	677,207	Open market transfer
August 23, 2011	3,700	10	9	0.07	0.02	680,907	Off-market transfer
May 24, 2012	1,500	10	9.9	0.03	0.01	682,407	Open market transfer

June 8, 2012	200	10	9.9	0.00	0.00	682,607	Open market transfer
June 29, 2012	7,300	10	10.4	0.15	0.05	689,907	Open market transfer
August 5, 2013	5,737	10	12.05	0.11	0.04	695,644	Open market transfer
December 12, 2013	500	10	10.23	0.01	0.00	696,144	Open market transfer
December 16, 2013	3,100	10	11.25	0.06	0.02	699,244	Open market transfer
December 26, 2013	1,000	10	12.23	0.06	0.01	700,244	Open market transfer
February 19, 2014	2,450	10	9.6	0.02	0.02	702,694	Open market transfer
July 24, 2014	5,866	10	12.25	0.12	0.04	7,08,560	Open market transfer
July 25, 2014	1,300	10	12.86	0.03	0.01	7,09,860	Open market transfer
October 9, 2014	800	10	12.25	0.02	0.01	710,660	Rectification of category from Public to Promoter
April 10, 2015	3,200	10	12.98	0.06	0.02	713,860	Open market transfer
June 1, 2015	500	10	12.33	0.01	0.00	714,360	Open market transfer

***As on date, the above Equity Shares are not pledged and there are no locked-in Equity Shares.*

ii. Ms. Archana Amin

Date of allotment/ Transfer	No. of Equity Shares**	Face value (₹)	Issue Price /average acquisition price per Equity Share (₹)	Percentage of the pre-Issue Capital (%)	Percentage of the post-Issue Capital (%)	Cumulative number of shares	Reason for allotment/ transfer
May 5, 2005	545,093	10	3	10.86	3.62	545,093	By way of Share Purchase Agreement
February 18, 2010	5,600	10	11	0.11	0.04	550,693	Off market transfer
March 20, 2010	16,200	10	8	0.32	0.11	566,893	Off market transfer
March 21, 2010	3,000	10	8	0.06	0.02	569,893	Off market transfer
April 22, 2010	6,800	10	8	0.14	0.05	576,693	Off market transfer
February 24, 2011	3,500	10	10	0.07	0.02	580,193	Off market transfer
May 9, 2011	2,300	10	10	0.05	0.02	582,493	Off market transfer
July 18, 2012	5,725	10	10	0.11	0.04	588,218	Open market transfer

October 7, 2014	8,700	10	11.97	0.17	0.06	596,918	Open market transfer
October 10, 2014	578	10	12.56	0.01	0.00	597,496	Open market transfer
October 14, 2014	200	10	13.13	0.00	0.00	597,296	Open market sale

*** As on date, the above Equity Shares are not pledged and there are no locked-in Equity Shares.*

iii. Mr. Archit Kandarp Amin

Date of allotment/ Transfer	No. of Equity Shares**	Face value (₹)	Issue Price /average acquisition price per Equity Share (₹)	Percentage of the pre- Issue capital (%)	Percentage of the post-Issue capital (%)	Cumulative number of Equity Shares	Reason for allotment/ transfer
May 5, 2005	41,400	10	3	0.82	0.27	41,400	By way of Share Purchase Agreement
November 16, 2011	5,000	10	9	0.10	0.03	5,000	Off market Transfer

*** As on date, the above Equity Shares are not pledged and there are no locked-in Equity Shares.*

2. Promoter group:

i. Mr. Suchit Kandarp Amin

Date of allotment/ Transfer	No. of Equity Shares**	Face value (₹)	Issue Price /average acquisition price per Equity (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)	Cumulative number of Equity Shares	Reason for allotment/ transfer
November 20, 2012	5000	10	9.05	0.10	0.03	5,000	Open Market Purchase
November 26, 2012	6100	10	9.13	0.12	0.04	11,100	Open Market Purchase
November 30, 2012	800	10	9.50	0.02	0.01	11,900	Open Market Purchase
December 27, 2012	400	10	9.97	0.01	0.00	12,300	Open Market Purchase
January 11, 2013	1,275	10	9.97	0.03	0.01	13,575	Open Market Purchase
January 24, 2013	2,000	10	10.46	0.04	0.01	15,575	Open Market Purchase
January 25, 2013	299	10	10.45	0.01	0.00	15,874	Open Market Purchase
February 4, 2013	750	10	10.42	0.01	0.00	16,624	Open Market Purchase
February 7, 2013	441	10	10.89	0.01	0.00	17,065	Open Market Purchase

Date of allotment/ Transfer	No. of Equity Shares**	Face value (₹)	Issue Price /average acquisition price per Equity (₹)	Percentage of the pre-Issue capital (%)	Percentage of the post-Issue capital (%)	Cumulative number of Equity Shares	Reason for allotment/ transfer
December 21,2015	15,000	10	32.55	0.30	0.10	2,065	Open market Sale

*** As on date, the above Equity Shares are not pledged and there are no locked-in Equity Shares.*

b. The Issue is exempted from the requirements of minimum promoters' contribution and lock-in in accordance with Regulation 34(c) of the ICDR Regulations.

c. Except for 20,00,000 Equity Shares allotted on preferential basis on March 09, 2016, which are locked-in till April 30, 2017, none of the Equity Shares of our Company are under locked–in, details of which are as under:

Sl. No.	Name of the Shareholder	No. of Shares	Locked-in Shares as % of Total No. of Shares
1.	Ms. Shweta Samirbhai Shah	2,37,500	100%
2.	Mr.Sagar Samir Shah	2,37,500	100%
3.	Mr. Sanjaykumar Rameshbhai Patel	5,00,000	100%
4.	Mr. Rakesh Rameshchandra Patel	5,00,000	100%
5.	Mr. Munjal Mahendrabhai Patel	2,37,500	100%
6.	Ms. Mansi Munjal Patel	2,37,500	100%
7.	Mr. Umesh G. Parikh	50,000	100%
	Total	20,00,000	100%

Our Company has complied with the relevant provisions of the ICDR Regulations, while making preferential allotment of Equity Shares.

d. The following Promoter and the Promoter Group of our Company through their letters dated October 14, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

a) Mr. Kandarp Amin
b) Ms. Archana Amin
c) Mr. Archit Kandarp Amin; and
d) Mr. Suchit Kandarp Amin

Further, the Promoter and Promoter Group may also apply for Additional Rights Equity Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of Additional Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations. The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in the Regulation 38 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As such, other than meeting the requirements indicated in the chapter entitled "*Objects of the Issue*" at page 56 of this Draft Letter of Offer, there is no other intention / purpose for the Issue, including any intention to delist our Equity Shares, even if, as a result of any allotment in the Issue to our Promoter and / or the members of our Promoter Group, the shareholding of our Promoters and/or Promoter Group in our Company exceeds their current shareholding.

3. Shareholding Pattern of our Company:

The table below presents the shareholding pattern of Equity Shares for the quarter ended September 30, 2016 is as follows:

Category code	Category of Shareholder	No of Share-holders	Total Number of Shares	No of Shares held in dematerialized form	Total Shareholding as a % of total no. of shares % of (A+B+C)	Number of Locked in Shares	
						Number of Shares	As a % of total Shares held
(I)	**(II)**	**(III)**	**(IV)**	**(V)**	**(VI)**	**(VII)**	**(VIII)**
(A)	**Promoter and Promoter Group**						
(1)	Indian						
(a)	Individual / HUF	4	13,60,121	13,60,121	27.09	0.00	0.00
(b)	Central Government / State Government(s)	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Financial Institutions / Banks	0.00	0.00	0.00	0.00	0.00	0.00
(e)	Others	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total A(1) :		**4**	**13,60,121**	**13,60,121**	**27.09**	**0.00**	**0.00**
(2)	Foreign	0.00	0.00	0.00	0.00	0.00	0.00
(1)	Individuals (NRIs / Foreign Individuals)	0.00	0.00	0.00	0.00	0.00	0.00
(a)	Bodies Corporate	0.00	0.00	0.00	0.00	0.00	0.00
(b)	Institutions	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Qualified Foreign Investor	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Others	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total A(2):		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Total A = A(1) + A(2)		**4**	**13,60,121**	**13,60,121**	**27.09**	**0.00**	**0.00**
(B)	Public Shareholding						
(1)	Institutions	0.00	0.00	0.00	0.00	0.00	0.00
(a)	Mutual Funds /UTI	0.00	0.00	0.00	0.00	0.00	0.00
(b)	Financial Institutions / Banks	0.00	0.00	0.00	0.00	0.00	0.00
(c)	Central Government / State Government(s)	0.00	0.00	0.00	0.00	0.00	0.00
(d)	Venture Capital Funds Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00
(e)	Insurance Companies	0.00	0.00	0.00	0.00	0.00	0.00
(f)	Foreign Institutional Investors	0.00	0.00	0.00	0.00	0.00	0.00
(g)	Foreign Venture Capital Investors	0.00	0.00	0.00	0.00	0.00	0.00
(h)	Qualified Foreign Investor	0.00	0.00	0.00	0.00	0.00	0.00
(i)	Others	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total B(1):		**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(2)	Non-Institutions	0.00	0.00	0.00	0.00	0.00	0.00
(a)	Individuals						
	(i) Individuals holding	3118	14,62,632	3,86,332	29.13	0.00	0.00

Category code	Category of Shareholder	No of Share-holders	Total Number of Shares	No of Shares held in dematerialized form	Total Shareholding as a % of total no. of shares % of (A+B+C)	Number of Locked in Shares	
						Number of Shares	As a % of total Shares held
	nominal share capital up to ₹2 lakh						
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	7	20,00,000	20,00,000	39.83	20,00,000	100.00
(b)	Others						
	a) Non- Resident Indians	88	56622	2,222	1.13	0.00	0.00
	b) Clearing Members	23	25262	25,262	0.50	0.00	0.00
	C)Bodies Corporate	21	111155	11,155	2.21	0.00	0.00
	E)HUF	18		5,308	5,308	0.11	0.00
(c)	Qualified Foreign Investor	0.00	0.00	0.00	0.00	0.00	0.00
Sub-Total B(2):		**3275**	**36,60,979**	**24,30,279**	**72.91**	**20,00,000**	**54.63**
Total B = B(1) + B(2)		**3,275**	**36,60,979**	**24,30,279**	**72.91**	**20,00,000**	**54.63**
Total (A+B)		**3,279**	**50,21,100**	**37,90,400**	**100.00**	**20,00,000**	**39.83**
(C)	Shares held by Custodians, against which Depository Receipts have been Issued	0.00	0.00	0.00	0.00	0.00	0.00
(1)	Promoter and Promoter Group	0.00	0.00	0.00	0.00	0.00	0.00
(2)	Public	0.00	0.00	0.00	0.00	0.00	0.00
Grand Total (A+B+C)		**3,279**	**50,21,100**	**37,90,400**	**100.00**	**20,00,000**	**39.83**

(1)28,900 partly paid up Equity Shares have been forfeited on account of non-payment of allotment monies in terms of the provision of AOA of the Company pursuant to the resolution passed by the Board of our Company at its meeting held on September 24, 2016. BSE Limited had confirmed the forfeiture vide Notice no. 20161013-29 dated October 13, 2016 and the Company has made necessary filings to effect the corporate action for the forfeiture of partly paid-up Equity Shares with the Depositories.

4. Shareholding of Promoter & Promoter Group pre and post Issue:

Sl. No.	Name of the Shareholder	Pre Issue		Post Issue*	
		No. of Shares	%	No. of Shares	%
Promoter					
1.	Mr. Kandarp Amin	7,14,360	14.23	21,43,080	14.23
2.	Ms. Archana Amin	5,97,296	11.90	17,91,888	11.90
3.	Mr. Archit Kandarp Amin	46,400	0.92	1,39,200	0.92
Promoter Group					
4.	Mr. Suchit Kandarp Amin	2,065	0.04	6,195	0.04
	Total	**13,60,121**	**27.09**	40,80,363	27.09

**assuming full subscription for and allotment of only the Rights Entitlement.*

5. The list of top ten shareholders of our Company and the number of Equity Shares held by them is as under:

a. Particulars of the top ten shareholders as on the date of filing this Draft Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total pre issued paid up capital*
1.	Mr. Kandarp Amin	7,14,360	14.23
2.	Ms. Archana Amin	5,97,296	11.90
3.	Mr. Rakesh Rameshchandra Patel	5,00,000	9.96
4.	Mr. Sanjaykumar Rameshbhai Patel	5,00,000	9.96
5.	Ms. Mansi Munjal Patel	2,37,500	4.73
6.	Mr. Munjal Mahendrabhai Patel	2,37,500	4.73
7.	Mr.Sagar Samir Shah	2,37,500	4.73
8.	Ms. Shweta Samirbhai Shah	2,37,500	4.73
9.	Southern India Depository Services P. Ltd	1,00,000	1.99
10.	Mr. Umesh Parikh	50,000	1.00

**After giving the effect of forfeiture.*

b. Particulars of top ten shareholders ten days prior to the date of filing this Draft Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total pre issued paid up capital*
1.	Mr. Kandarp Amin	7,14,360	14.23
2.	Ms. Archana Amin	5,97,296	11.90
3.	Mr. Rakesh Rameshchandra Patel	5,00,000	9.96
4.	Mr. Sanjaykumar Rameshbhai Patel	5,00,000	9.96
5.	Ms. Mansi Munjal Patel	2,37,500	4.73
6.	Mr. Munjal Mahendrabhai Patel	2,37,500	4.73
7.	Mr.Sagar Samir Shah	2,37,500	4.73
8.	Ms. Shweta Samirbhai Shah	2,37,500	4.73
9.	Southern India Depository Services P. Ltd	1,00,000	1.99
10.	Mr. Umesh Parikh	50,000	1.00

**After giving the effect of forfeiture.*

c. Particulars of the top ten shareholders two years prior to the date of filing of this Draft Letter of Offer:

Sr. No.	Name of Shareholders	Number of Equity Shares	% of Total pre issued paid up capital*
1.	Mr. Kandarp Amin	7,09,860	13.38
2.	Ms. Archana Amin	5,88,218	9.96
3.	Southern India Depository Services P. Ltd	1,00,000	9.96
4.	Mr. Archit Kandarp Amin	46,400	9.75
5.	Mr. Suchit Kandarp Amin	17,065	4.73
6.	Ms. Vinaben Ghanshyambhai Patel	8,500	4.73
7.	Mr. Ramesh Sanghvi	7,100	4.73
8.	Ms. Alka Goswami	6,000	4.73
9.	SSJ Finance & Securities Pvt. Ltd.	5,555	1.99
10.	Mr. Mukesh R. Patel	5,300	1.85

**After giving the effect of forfeiture.*

6. Our Company, our Directors and the Lead Manager have not entered into any buy-back arrangement and / or safety net facility for purchase of Equity Shares from any person.

7. Except as disclosed in this section, our Company has not made any public issue or rights issue of any kind or class of securities during a period of one year preceding the date of this Draft Letter of Offer.

8. None of our Promoters, Promoter Group, our Directors and their immediate relatives have purchased or sold any Equity Shares during a period of six months preceding the date on which this Draft Letter of Offer is filed with SEBI.

9. Except as stated in the chapter entitled "*Our Management*" at page 104 of this Draft Letter of Offer, none of our Directors and their immediate relatives or Key Managerial Personnel, our Promoter Group holds any Equity Shares.

10. Our Company has not issued any Equity Shares out of revaluation reserves or reserves without accrual of cash resources.

11. As on September 30, 2016 the total number of members of our Company were 3,279.

12. Our Company has not issued any Equity Shares pursuant to any scheme approved under the Sections 391-394 of the Companies Act, 1956.

13. Neither the Lead Manager nor any associates of the Lead Manager hold any Equity Shares in our Company.

14. The ex-rights price arrived in accordance with the formula prescribed under Clause 4 (b) of Regulation 10 of the SEBI Takeover Regulations in connection with the Issue is [●].

15. If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act.

16. All Equity Shares are fully paid up and there are no partly paid up Equity Shares as on the date of this Draft Letter of Offer. Further all Equity Shares offered through this Issue shall be made fully paid up or may be forfeited for non-payment of calls within twelve months from the date of allotment of Equity Shares.

17. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares.

18. There have been no financial or buyback arrangements whereby our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity during a period of 6 (six) months preceding the date of filing of this Draft Letter of Offer.

19. Our Company presently does not intend or propose to alter the capital structure for a period of six months from the Issue Opening Date, 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 on a preferential basis or issue of bonus or rights or further public issue of specified securities or otherwise. However, if business needs of the Company so require, the Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six (6) months from the date of opening of the Issue or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required. However, if our Company enters into acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares as currency for acquisitions or participation in such joint ventures.

20. Our Company does not have any employee stock option scheme or employee stock purchase scheme as on the date of this Draft Letter of Offer.

21. At any given time, there shall be only one denomination of the Equity Shares. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

22. Our Company, Directors, Promoters or Promoter Group shall not make any payments direct or indirect, discounts, commissions, allowances or otherwise under this Issue except as disclosed in this Draft Letter of Offer.

23. Our Company has not raised any bridge loan from any bank against the proceeds of this Issue. However, depending on its business requirements, the Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds of the Issue.

24. The Issue will remain open for a minimum period of 15 days. The Board of Directors or duly authorised committee thereof shall have the right to extend the Issue period as it may determine from time to time, provided that the issue will not be kept open in excess of 30 days from the Issue Opening Date.

SECTION IV- OBJECTS OF THE ISSUE

OBJECTS OF THE ISSUE

The proceeds of the Issue, after deducting the issue related expenses (the **"Net Proceeds"**), are estimated to be approximately ₹ **[●]** Lakhs.

The Net Proceeds of the Issue are proposed to be deployed for financing the following objects:

1. To part finance the new facility for manufacturing MCA, SMCA and CAC/SBS chemicals at Bhavnagar, Gujarat ("MCA, SMCA and CAC/SBS Unit"/"Project-I")
2. To finance the new facility for manufacturing PAC chemical at Bhavnagar, Gujarat ("PAC Unit"/"Project-II")
   (Project I and Project II shall hereinafter collectively be referred to as "Bhavnagar Facility")
3. To part repay existing unsecured loans
4. For General Corporate Purposes

The main object clause and objects incidental or ancillary to the main object clause of the MoA of our Company permits us to undertake the existing activities and the activities for which the funds are being raised through the present issue. Further, we confirm that the activities we have been carrying on until now are in accordance with the objects clause of our MoA.

Total Fund Requirement:

Sl. No.	Particulars	(₹ in Lakhs)
1	To set up the MCA, SMCA and CAC/SBS Unit	4,551.90
2	To set up the PAC Unit	784.30
3	To part repay existing unsecured loans	320.00
4	General Corporate Purpose	[●]
	Total Fund Requirement	**[●]**

The estimates of costs and fund requirement as described above are based on the quotations received by us and management estimates and is not appraised by any bank or financial institution. We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from the fund requirements mentioned below, at the discretion of our management, subject to compliance of applicable law.

The estimates of costs and fund requirement as described above are based on the quotations received by us and management estimates, except for which purchase orders have been placed and invoices have been received. In addition, the machineries and other equipments can be purchased from the suppliers other than those suppliers whose names have not been mentioned in this chapter. Hence the actual cost may vary.

In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable or in case of cost overruns, we expect that the shortfall will be met from internal accruals and/or entering into debt arrangements as required. Accordingly, the Proceeds of the Issue would be used to meet all or any of the uses of the funds described herein.

Any variation in the objects of the Issue shall be undertaken in accordance with the terms of SEBI ICDR Regulations and Companies Act, 2013 and the rules framed thereunder.

Details of Means of Finance / Source of Finance

Our Company intends to finance the total fund requirement as under:

Sl. No.	Particulars	(₹in Lakhs)
I	**Total Fund Requirement (as mentioned above)**	[●]
II	**Means of Finance**	
	Term Loan from Union Bank of India for MCA, SMCA & CAC/SBS Unit	2,901.00
	Proceeds from the Equity Shares issued under preferential allotment	600.00
	Proceeds from Rights Issue	[●]
	Internal Accruals and unsecured loans	[●]
	Total	**[●]**

Issue Proceeds, Issue Related Expenses and Net Proceeds

The details of proceeds of the Issue are summarized in the following table:

Description	(₹ in Lakhs)
Gross Proceeds of the Issue	**[●]**
Less (Issue related Expenses*)	**[●]**
Net Proceeds of the Issue**	**[●]**

**to be finalised at the time of filing of the Letter of Offer*
***to be determined pursuant to Issue related expenses being paid*

Utilization of Net Proceeds of the Issue

The Net Proceeds of the Issue will be utilised in accordance with the table set forth below:

Sl. No.	Particulars	(₹ in Lakhs)
1	To part finance the MCA, SMCA and CAC/SBS Unit	787.90
2	To finance the PAC Unit	784.30
3	To part repay existing unsecured loans	320.00
4	For General Corporate Purposes	**[●]**
	Total funds to be utilized from Net Proceeds of Issue	**[●]**

Our Company confirms that the Company has made firm arrangements of finance through verifiable means for 75% of the stated means of finance excluding the amount to be raised through the Issue and internal accruals under Regulation 4(2) (g) of the ICDR Regulations.

Details of Objects of the Issue

1. To part finance the MCA, SMCA and CAC/SBS Unit

Our Company is in the process of setting up MCA, SMCA and CAC/SBS Unit at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat. The MCA, SMCA and CAC/SBS Unit will have a combined installed capacity of 17,400 M.T. p.a. to manufacture MCA (12,000 M.T. p.a.), SMCA (2,400 M.T. p.a.) and CAC/SBS (3,000 M.T. p.a.). The said unit will result in increase in the size of our product portfolio, operational efficiency and improvement in product quality. The estimated cost of setting up the said Unit is ₹ 4,551.90 Lakhs which includes cost for acquisition of land, construction of building, plant and machinery, pre-operative expenses and other expenses. The details of which are as follows:

The break-up of the estimated cost of setting up MCA, SMCA and CAC/SBS Unit is ₹ 4,551.90 Lakhs which is as follows:

Sl. No.	Particulars	₹ in lakhs
I	Land	48.50
II	Building	1,241.85

III	Plant and Machinery	2,874.92
IV	Pre-operative Expenses	206.03
V	Margin Money for Working Capital	180.60
	Total	**4,551.90**

The break-up of the estimated cost of the said Unit is given hereunder:

I. Land

As on the date of this Draft Letter of Offer, our Company has already acquired non-agricultural land aggregating 56,656 sq. meters, at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat. The land is a freehold property acquired at a cost of ₹ 48.50 Lakhs. The entire Bhavnagar Facility shall be set up on this land.

II. Building

The Company has commenced construction of the building at Narmad, RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat with a built-up area of approximately 15,902 sq. ft. The said work will include manufacturing blocks, storage area, laboratory, administration office, boiler house, workers' room, canteen, rain water drain, road, security cabin and gate, weigh bridge with cabin etc. The estimated cost of the factory building is ₹ 1,241.85 Lakhs which is as per the estimate by architect M/s. Torsion Engineers & Consultants vide their letter dated September 24, 2015.

The details of civil work and structures for facilities are as under:

Sl. No.	Name of Area	Area	Unit	Rate per Unit	Cost (₹ In Lakhs)
1	MCA Plant	4175	SQM	12,500.00	521.88
2	CAC+HCL Plant	2151	SQM	12,500.00	268.87
3	SBS Plant	1198	SQM	12,500.00	149.75
4	PCC, Maintenance, N2 Plant	360	SQM	12,500.00	45.00
5	Workers Change Room, Canteen, First Aid, Toilet	360		19,000.00	68.40
6	Acetic Acid/ Acetic Anhydrous storage Area	318		L.S.	8.50
7	Compound Wall	940	RMT	5,500.00	51.70
8	Admin Office & Lab	300	SQM	19,000.00	57.00
9	RCC Road	5500	SQM	950.00	52.25
10	Rain Water Drain	600	RMT		8.50
11	Security Cabin & Gate			L.S.	4.00
12	Weigh Bridge with Cabin				6.00
	TOTAL				**1,241.85**

III. Plant & Machinery

The Company is in the process of acquiring various plant & machinery from domestic as well as overseas suppliers. We propose to purchase plant & machineries amounting to ₹ 2,874.92 Lakhs which includes cost of machines, cost of transportation, freight, insurance, customs duty, additional customs duty, cost of erection and commissioning, etc.

The details of Plant & Machineries purchased/ and/or the purchase orders placed for the proposed unit are as under:

Sl. No.	Description of Plant & Machinery	Party Name	Purchase Order Date	Amount (₹ in Lakhs)
1	ODC & Hot Water Driven Vapor Absorption Machine 36TR & 144TR	Thermax Limited	July 22,2015	42.51

2	Condenser for MCA	Graphite India Ltd	July 23,2015	56.07
3	Condenser for CAC	Graphite India Ltd	July 2,2016	12.51
4	Tall Gas Tower, Falling Gilm Absorber	Graphite India Ltd	July 23,2015	22.55
5	Project 1406 MSGL Equipment	ZCH Equipment	August 22,2015	88.99
6	Combica Steam Boiler	Thermax Limited	September 3,2015	36.75
7	Pump with Mechanical seal & Accessories	Leak-Proof Pumps (I) Pvt Ltd	January 4,2016	13.02
8	Weighing Kit 50Mt Capacity	Essae Digitronics Pvt Ltd	December 30,2015	4.22
9	Cooling Tower	Motto Tech industries	March 23,2016	18.90
10	Motors	Bombay Engineering Syndicate	March 26,2016	17.37
			May 31,2016	3.22
11	Pump	Leak-Proof Pumps (I) Pvt Ltd	February 24,2016	11.76
12	Boiler Ancillaries	Techno 9 Industrial Eng. P. Ltd	March 16,2016	22.68
13	MCA Plant	Super Scientific Works Pvt Ltd	April 16,2016	76.11
14	Shell & Tube Condenser	Shree Chamunda Scientific	April 16,2016	48.24
15	Grizzly Hopper, Feed Conveyor, Vibrating Screen, Hammer Crusher, Main Bucket Elevator, Recycling Bucket Elevator, Control Panel & Accessories	Darshini Enginers	April 19,2016	11.81
16	Dosing Pump	S.R Metering Pumps & Systems	April 22,2016	36.85
17	TYPE 783 Metal Lining	JMP Technology	May 20,2016	240.78
18	Spin Flash Dryer	Hydro Engineering Co	May 20,2016	10.00
19	25 PDM	Whirler Centrifugals Pvt Ltd	May 20,2016	4.75
20	Gear Box	Tirex Transmission	May 20,2016	3.88
21	Ceramic Packing	Channel ARK Enterprise	May 25,2016	16.32
22	Drum Dryer	Uni-Mech Industries	May 27,2016	16.50
23	Borosilicate Glass Vapour Risers	Super Industrial Lining Pvt Ltd	May 31,2016	19.12
24	Glasslined Lined Pipes & Glass Lined Jacketed Pipes	ZCH Equipment	February 6,2016	47.81
25	Nitrogen Plant	Airpro Engineering Co	July 6,2016	4.55
26	Pipe Spool Length	Vinayak Industries	October 6,2016	30.34

27	Pressure Reducing Station With Electro Pneumatic Control Valve, Float Controlled Steam, Y Type SS Strainer & Thermodynamic Steam	Thermax limited	June 14,2016	11.13
28	MSGL Glass Fitting	Enamel Industry	June 14,2016	35.15
29	Rupture Disc	Bs& B Safety (India) Ltd	June 27,2016	1.34
30	Graphite Line Steam Jet Ejectors	Autocon India	June 28,2016	5.00
31	Water Chilling Plant	Advanced Techno Systems	June 28,2016	5.75
32	Glasslined Reactor	Ambey Laboratories Ltd	January 7,2016	25.99
33	Condenser	Graphite India Ltd	February 7,2016	27.09
34	C.I Pinch Valves & Spares Re-Butyl Rubber Sleeve	R.B Panchal& Co.	February 7,2016	5.98
35	Teflon Ball Valve	Vinayak Industries	February 7,2016	16.58
36	PTFE Teflon Bellow	Vinayak Industries	February 7,2016	2.86
37	Heat Exchanger	Ems Project Pvt Ltd	February 7,2016	6.30
38	Vaporiser	Ems Project Pvt Ltd	February 7,2016	5.55
39	Screw Air Compressor & Heatless Air Dryer	M/s Deep Pneumatic Pvt Ltd	June 7,2016	4.74
40	Teflon Valve (Jacketed), Water Type Check Valve, Plug Valve &Diahpharagm Valve	Brightech Valves and Controls Pvt Ltd	November 7,2016	9.82
41	Jacketed Pipe Spool	Vinayak Industries	December 7,2016	11.40
42	Gas Compressor Model	Industrial Compressor & Cryopumps (p) ltd	July 13,2016	5.51
43	RFQ Safety Valve	Brightech Valves and Controls Pvt Ltd	July 13,2016	0.78
44	Feed Distributer Cup	Super Scientific Works Pvt Ltd	July 14,2016	0.91
45	Valve	Vinayak Industries	July 16,2016	2.20
46	CE12.5KL Glass Lined Reactor	Enamel Industry	July 19,2016	94.11
47	Valve	Super Industrial Lining Pvt Ltd	July 19,2016	9.01
48	Crompton Greaves make AC Motors	Bombay Engineering Syndicate	July 19,2016	1.38
49	Ball Valves	Vinayak Industries	July 21,2016	1.75
50	Ball Valves	Beena Engineering Works	July 23,2016	23.25
51	ORNET Make 1600 KVA transformer	OrnetTransormers LLP	August 5,2016	18.31

52	Blender	Techno 9 Industrial Eng. P.Ltd	August 13,2016	17.97
53	Design, Mfg and supply of 2 ton Capacity Single Girder EOT Crane	M.P.Electrical Engineering	August 24,2016	4.07
54	4" LCN HASTIC/TFE/HASTC Burst Pressure 5.700	Bs& B Safety (India) Ltd	August 27,2016	1.73
55	Copper flexible polycab	Hy-Tech Engineering Co.	August 30,2016	0.15
56	PTFE Distributor Tray	Super Scientific Works Pvt Ltd	September 2,2016	9.80
57	MS PTFE lined 90 degree bend	M/s Vinayak Industries	September 3,2016	0.33
58	Heat Exchanger	Camy Plants	September 7,2016	11.77
59	HDPE Scrubber	Deep Enterprise	September 10,2016	2.36
60	HDPE Pipe 300Mtr	Universal Sales Agency	September 13,2016	4.11
61	Electric Panels	Ems Project Pvt Ltd	September 13,2016	62.61
62	1. Thermo Compresor, Service Flash Chamber 2. Ventury Tag no.SCR1202 & TK1501 & 1506	Autocon India	September 13,2016	4.34
63	Refrigerated Type Dryer	Opal Industries	September 14,2016	2.00
64	MSGL Tank , Column, Bottom Section, Receiver, Flash chamber, Perforated plate	ZCH Equipment	September 1,2015	203.75
65	LED flame proof light-50WATT & Well glass housing with LED	Luminous Cube	September 14,2016	5.79
66	Pump with Mechanical seal & Accessories	Leak-Proof Pumps (I) Pvt Ltd	September 16,2016	1.15
67	MS, SS, Lead Bonded Equipment	EMS Projects Pvt Ltd	April 5,2016	308.70
68	DG Set	Supernova Engineering Ltd.	September 30,2016	85.00
69	CWIP on Plant & Machinery	Company Estimate	-	165.35
70	Cable, Cable Tray			50.00
71	Thermal Insulation			80.00
72	Utility Piping, Valves and Ancillary			95.00
73	Structural Painting and Epoxy Coating			75.00
74	Erection and Installation Expenses			79.25
75	Transportation, Commissioning and other expenses			355.19
	Total			**2,874.92**

2. ***To finance the PAC Unit***

Our Company is in the process of setting up PAC Unit at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat The proposed Unit will have an installed capacity of 12,000 M.T. p.a. to manufacture PAC Chemical.

PAC is manufactured in both liquid and powder form. It is used in deodorants and antiperspirants, as a flocculant in water purification, in treatment of drinking/portable water, waste water treatment and paper sizing. This will increase our existing product portfolio and add value to our business and to our customers.

The break-up of the estimated cost of setting up PAC Unit is ₹ 784.30 Lakhs which is as follows:

Sl. No.	Particulars	Amount (₹ in Lakhs)
I	Construction of Building	345.00
II	Plant and Machinery	414.30
III	Pre-operative Expenses	25.00
	Total	**784.30**

I. Land:

The PAC Unit shall be set up on the land which has been acquired for the entire Bhavnagar Facility and mentioned hereinabove.

II. Building

The Company proposes to carry out the construction of the building at Narmad, RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat for the PAC Unit. The estimated cost of the factory building is ₹ 345 Lakhs which is as per the estimate by architect M/s. Torsion Engineers & Consultants vide their letter dated September 24, 2016.

The details of civil work and structures for facilities are as under:

Sl. No.	Particulars	Amount (₹ in Lakhs)
1	Spray Drier Tower building	60.00
2	Raw Material Warehouse	50.00
3	Hot Air Generator building	50.00
4	Coal Storage Building	40.00
5	Finished Good Storage	60.00
6	Plant Building Cost	85.00
	Total	**345.00**

III. Plant & Machinery

The details of plant & machineries to be purchased for the proposed PAC Unit are as under:

Sl. No.	Description of Plant & Machinery	Quantity	Party Name	Date of PO*/Quotation	Amount (₹ in Lakhs)
1	HCL Storage tank	1	EMS Projects Pvt Ltd	October 3, 2016	25.40
2	Formation reactor for PAC with Agitator Assembly & pneumatically operated flush bottom valves	4	Enamel Co. Ltd.	July 7, 2016*	94.11
3	Vibro Screen feeder with magnetic seprator portable assembly	1	Hindustan Vibrotech Pvt Ltd	September 13, 2016	3.67
4	2 MT electric hoist to lift aluminium hydrate bags	1	M.P. Electrical engineering	August 24, 2016*	3.45
5	Scrubber for PAC formation reactors	1	Deep Enterprise	October 3, 2016	1.26
6	Scrubber Tank-1	1	Deep Enterprise	October 3, 2016	0.76
7	Blower-1	1	Deep Enterprise	October 3, 2016	1.26
8	Dilution water batch tank	1	Deep Enterprise	October 3, 2016	0.74

9	Pump with Mechanical seal & Accessories	2	Leak Proof Pumps (I) Pvt Ltd	September 16, 2016*	1.15
10	Compressed Air Receiver	1	Deep Pnumatics Pvt Ltd	September 20, 2016*	0.54
11	PAC Cooler	1	Graphite India Limited	September 20, 2016	6.00
12	Filter Press	2	Kirti Polyplast Industries	October 3, 2016	9.97
13	Filterate PAC solution holding Tank	1	EMS Projects Pvt Ltd	October 3, 2016	25.10
14	Formulation Reactor for PAC solution	1	Deep Enterprise	October 3, 2016	2.10
15	Formulated (Blended) PAC solution holding tank	1	EMS Projects Pvt Ltd	October 3, 2016	24.92
16	Spray dryer Feed Tank	1	Shachi Engineering Pvt Ltd	July 2, 2016	172.21
17	Spray Dryer Feed Pump	2			
18	Spray Drier for PAC powder formation	1			
19	Cyclone Separator	1			
20	Coal fired heater with FD fan	1			
21	Scrubber for spray drier	1			
22	Scrubber Tank-2	1			
23	Circulation pump for spray dryer scrubber	2			
24	Blower-2	1			
25	Alum Storage Tank	1	Deep Enterprise	October 3, 2016	1.58
26	Hot water holding Tank	1	Deep Enterprise	October 3, 2016	1.58
27	Installation, Cabling, Insulation Painting etc.		Company estimate		38.5
	Total				**414.30**

3. To part repay existing unsecured loans

Our Company has availed unsecured loans from directors, group companies and others. As on September 30, 2016, the Company has outstanding unsecured loans of ₹ 510 Lakhs. The Company proposes to utilize ₹ 320 Lakhs from the Net Proceeds towards repayment of the same. The details of the unsecured loans are as under:

Name of Lender and relationship	Date of Loan	Total Amount Availed	ROI (%)	Tenure	Outstanding as on September 30, 2016 (₹ in Lakhs)
Mr. Kandarp Amin (Promoter and Executive Director)	March 31, 2016	135.00	13.5	2 years	135.00
Ms. Archana Amin (Promoter and Executive Director)	May 28, 2016	30.00	13.5	2 years	30.00
Krishna Orgochem (Group entity)	May 30, 2016	100.00	13.5	2 years	100.00

Ms. Archana Amin (Promoter and Executive Director)	September 22, 2016	30.00	13.5	Less than 1 year	30.00
Mr. Archit Kandarp Amin (Promoter and Chief Executive)	September 22, 2016	30.00	13.5	Less than 1 year	30.00
Kalindi Impex (Group entity)	July 29, 2016 and September 30, 2016	35.00	13.5	Less than 1 year	35.00
Krishna Orgochem (Group entity)	July 1, 2016 and September 21, 2016	125.00	13.5	Less than 1 year	125.00
Nihal Estate Private Limited	July 4, 2016	25.00	9.00	Less than 1 year	25.00
Total		**510.00**			**510.00**

Our Company confirm that the above unsecured loans availed by our Company were utilized for fulfilling the purposes for which the loans were availed.

4. General Corporate Purposes

Our Company intends to deploy the balance of the Net Proceeds aggregating ₹ [●] Lakhs, towards general corporate purposes, including but not restricted to strategic initiatives, organic growth opportunities strengthening of our marketing capabilities, brand building exercises meeting exigencies and contingencies which our Company in the ordinary course of business may not foresee, or any other purposes as approved by our Board of Directors. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

In terms of Regulation 4(4) of the ICDR Regulations, the extent of the Net Proceeds proposed to be used for general corporate purposes is estimated not to exceed 25% of the Issue Proceeds.

Issue Related Expenses

The Issue related expenses include, among others, fees to various advisors, printing and distribution expenses, advertisement expenses and registrar and depository fees. The total estimated expenses are [●] Lakhs, which is [●] % of the Issue size. The estimated Issue related expenses are as follows:

Particulars	**Amount* (₹ In Lakhs)**	**% of Total Expenses**	**% of Issue Size**
Fees to Lead Manager, Registrar to the Issue, Legal Advisor to the Issue, Auditors	**[●]**	**[●]**	**[●]**
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	**[●]**	**[●]**	**[●]**
Regulatory fees, Filing fees, Stamp Duty, Listing Fees, Depository Fees and other miscellaneous expenses	**[●]**	**[●]**	**[●]**
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

**will be incorporated post finalisation of the Issue Price*

Monitoring of Funds

As the proceeds from the Issue are less than ₹50,000 lakhs, in terms of Regulation 16(1) of the ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue. As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilization of the proceeds of the Issue. We will disclose the details of the utilization of the Net Proceeds of the Issue, including interim use, under a separate head in our financial statements specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements.

As per the requirements of Regulation 18 of the SEBI Listing Regulations, we will disclose to the audit committee the uses/ applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Letter of Offer and place it before the audit committee. The said disclosure shall be made till such time that the full proceeds raised through the Issue have been fully spent. The statement shall be certified by our Auditors.

Further, in terms of Regulation 32 of the SEBI Listing Regulations, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Letter of Offer. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Regulation 33 of the SEBI Listing Regulations and will be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Regulation 18 of the SEBI Listing Regulations.

Deployment of Funds and Sources of Funds

M/s. S. N. Shah & Associates, Chartered Accountants vide their certificate dated September 15, 2016, have confirmed that as on September 14, 2016, an amount of ₹ 2,240.61 lakhs has been deployed by our Company towards construction of building and plant & machinery. The total funds deployed on Project-I are ₹ 2, 289.11 Lakhs (including land) which have been met by term loan of ₹1,426.11, proceeds from Equity Shares issued under preferential allotment of ₹600 lakhs and internal accrual and unsecured loans of ₹263 lakhs.

(₹ in Lakhs)

Sl. No.	Particulars	Fund requirement	Funds already deployed till September 14, 2016	Balance Estimated cost as on September 14, 2016	Amount to be financed through Net Issue Proceeds	Amount to be financed through Term Loan	Total
I	Project-I	4,551.90	2,289.11	2,262.79	787.90	1,474.89	4,551.90
II	Project-II	784.30	0.00	784.30	784.30	0.00	784.30
III	Repayment of Unsecured Loan	320.00	0.00	320.00	320.00	0.00	320.00
IV	General Corporate Purpose	[●]	0.00	[●]	[●]	0.00	[●]
	Total	**[●]**	2,289.11	[●]	[●]	1,474.89	[●]

Schedule of Implementation

Sl. No.	Schedule of Activities	Actual/ Expected Date of Commencement		Expected Date of Completion	
		Project- I	Project-II	Project-I	Project-II
1	Land Acquisition	Already acquired			
2	Site Development	October 20, 2014	October 20, 2014	October 31, 2016	October 31 , 2016
3	Order/Delivery of Plant & Machineries	October 15, 2015	August 1, 2016	January 31, 2017	February 15 , 2017
4	Machinery set up and Erection and Installation	August 1, 2016	November 5, 2016	February 28, 2017	February 28, 2017
5	Trial Production	March 7, 2017	March 7, 2017	March 7 , 2017	March 15, 2017

6	Commercial Production	March 16, 2017	March 16, 2017	March 15, 2017	March 20, 2017

Appraisal

Our projects have not been appraised by any external agency. *For risks associated with our Objects of the Issue, please refer to the Section titled "Risk Factors" beginning on page 14 of this Draft Letter of Offer.*

Interim use of funds

Pending utilization for the objects described above, our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Our Company intends to deposit the Net Proceeds with scheduled commercial banks included in the second schedule of the Reserve Bank of India Act, 1934. We confirm that pending utilization of the Net Proceeds for the objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets.

Bridge Financing Facilities

Our Company has currently not raised any bridge loan towards any of the stated objects of the Issue as on the date of Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending on business requirements, our Company might consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, Directors, Key Managerial Personnel and members of our Promoter Group or Group Entities, except in the ordinary course of business.

We further confirm that the amount raised by our Company through the Issue shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company by our Company.

BASIS FOR ISSUE PRICE

The Issue Price of ₹ [●] per Equity Share has been determined by our Company, in consultation with the Lead Manager on the basis of the following qualitative and quantitative factors. The face value of the Equity Share is ₹ 10 and Issue Price is ₹ [●] per Equity Share and is [●] times of the face value.

QUALITATIVE FACTORS

Some of the qualitative factors, which form the basis for computing the price, are –

- Well established manufacturing facilities
- Experienced promoters and management team

For further details, refer to heading "*Our Competitive Strengths*" under chapter titled "*Our Business*" on page 86 of this Draft Letter of Offer.

QUANTIATIVE FACTORS

The information presented in this section for the period ended June 30, 2016, year ended March 31, 2016, March 31, 2015, and March 31, 2014 is derived from our Restated Summary Statements prepared in accordance with Indian GAAP. Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for computing the price are as follows:

1. Basic and Diluted Earnings per Share (EPS)

Basic (& Diluted) EPS:

Year Ended	per Equity Share	Weight
March 31, 2014	1.95	1
March 31, 2015	2.61	2
March 31, 2016	4.62	3
Weighted Average	**3.51**	
For three (3) months ended June 30, 2016*	0.97	

*Not annualized

Note: EPS has been calculated in compliance with Accounting Standard 20 issued by the Institute of Chartered Accountants of India.

2. Price / Earning (P/E) Ratio in relation to Issue Price of ₹ [●] per Equity Share

Particulars	
P/E ratio based on basic (& Diluted) EPS for the year ended March 31,2016 at the lower end of the price band	**[●]**
P/E ratio based on basic (& Diluted) EPS for the year ended March 31, 2016 at the higher end of the price band	**[●]**
Industry P/E Multiple:*	
Highest	**175.8**
Lowest	**5.2**
Industry Composite	**31.4**

** P/E based on trailing 12 months earnings for the entire Chemical Sector, Source: Capital Markets, Volume XXXI/16 dated September 26, 2016 – October 9, 2016 (Industry – Chemicals)*

3. Return on Net Worth (RONW):

Year ended	RoNW(%)	Weight
March 31, 2014	18.00%	1
March 31, 2015	20.00%	1
March 31, 2016	13.00%	1
Weighted Average	17.00%	-
For three (3) months ended June 30, 2016*	4.00%	

Note: The return on net worth is arrived at by dividing net profit after tax and extraordinary items, as restated by net worth as restated as at years.

4. Minimum return on increased net worth after the Issue required for maintaining pre-issue EPS of Rs. 4.62 as at March 31, 2016

Particulars	EPS
Basic EPS	[●]
Diluted EPS	[●]

5. Net Asset Value (NAV) per Equity Share

Particulars	NAV (Rs. per Equity Share)
NAV per Equity Share as of March 31, 2016	22.80
NAV per Equity Share as of June 30, 2016	23.78
NAV per Equity Share after the Issue	**[●]**
Issue Price per Equity Share	**[●]**

Note: Net Asset Value per Equity Share represents net worth, as restated divided by the number of Equity Shares outstanding as at year.

6. Comparison of Accounting Ratios with listed industry peers*

There is no comparable listed company in India that is engaged in a business which is similar to that of our Company or which operates on a similar scale. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

On the basis of the above qualitative and quantitative parameters and the current market price of the equity shares of the Company, our Company, in consultation with the Lead Manager, is of the opinion that the Issue Price of ₹ [●] per Equity Share is justified. For further details, please see the chapter entitled "*Risk Factors*" at page 14 and our financials including important profitability and return ratios, as set out in the chapter entitled "*Financial Statements*" on page 123 of this Draft Letter of Offer.

STATEMENT OF TAX BENEFITS

To
The Board of Directors,
Archit Organosys Limited
Plot No. 25/9-A, Phase-III,
GIDC, Naroda,
Ahmedabad
Gujarat- India

Dear Sirs,

Sub: Statement of possible Direct Tax Benefits available in connection with proposed Rights Issue of Equity Shares ("the Issue") of Archit Organosys Limited ("the Company")

We report that the enclosed statement states the possible direct tax (viz under the Indian Income Tax Act, 1961) benefits available to the Company or its shareholders under the current direct tax law referred to above, 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 statute. Hence, the ability of Company or its shareholders to derive these direct tax benefits is dependent upon their fulfilling such conditions.

The possible direct tax benefits discussed in the enclosed annexure are not exhaustive. This statement is only intended to provide general information to investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue 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. Neither are we suggesting nor are we advising the investor to invest money based on this statement.

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

i) The Company or its shareholders will continue to obtain these benefits in future; or

ii) The conditions prescribed for availing the benefits have been/would be met with.

The contents of the enclosed statement are based on the representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

This statement is intended solely for information and for inclusion in offer documents in relation to the Issue and is not to be used, circulated or referred to for any other purpose without our prior written consent.

Our views are based on the existing provisions of law referred to earlier and its interpretation, which are subject to change from time to time. No assurance is given that the revenue authorities/courts will concur with the views expressed in this Tax Benefit Statement. We do not assume responsibility to update the views consequent to such changes.

The views are exclusively for the use of the Company and shall not, without our prior written consent, be disclosed to any other person, except to the extent disclosure is otherwise permitted by the terms of our engagement.

For,
M/s. G. K. Choksi & Co.
Chartered Accountants
FRN: 101895W

Sandip A Parikh
Partner
Membership No. 040727

Place: Ahmedabad
Date: 14th October, 2016

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO ARCHIT ORGANOSYS Limited ("THE COMPANY") AND TO ITS SHAREHOLDERS

1. **Under the Income-tax Act, 1961 ("the Act / IT Act")**

I. Special tax benefits available to the Company

There are no special tax benefits available under the Act to the Company.

II. General tax benefits available to Companies

i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. Such dividend is to be excluded while computing Minimum Alternate Tax ("MAT") liability.

ii) As per section 10(34A) of the Act, any income arising to the company in the capacity of shareholder on account of buy back of shares (not being listed on recognized stock exchange) by the other company as referred to in section 115QA is exempt from tax. Such income is to be excluded while computing Minimum Alternate Tax ("MAT") liability.

iii) As per section 10(35) of the Act, the following income will be exempt in the hands of the Company: a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of section 10; or b) Income received in respect of units from the Administrator of the specified undertaking; or c) Income received in respect of units from the specified company: However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

iv) As per section 32(iia) of the Act the company is entitled to additional depreciation at the rate of 20% on actual cost of new plant or machinery subject to conditions as prescribed over and above normal depreciation available under Act.

v) Capital assets may be categorized into short term capital assets or long term capital assets based on the period of holding. Capital asset being share or any other security listed on a recognized Stock Exchange in India or unit of Unit Trust of India or unit of a Mutual Fund (Equity Oriented) specified under section 10(23D) or a zero coupon bond held by the assessee for a period of more than 12 months are considered as long term capital assets. Consequently, capital gains arising on sale of these assets held for more than 12 months are considered as long term capital gains ("LTCG"). Capital gains arising on sale of these assets held for 12 months or less are considered as short term capital gains ("STCG"). In respect of any other capital asset, the holding period should exceed 36 months to be considered as long term capital asset except in case of share of a company (not being share listed on recognized stock exchange in India) wherein the holding period should exceed 24 months to be considered as long term capital asset.

vi) As per provisions of Section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

vii) As per section 10(38) of the Act, LTCG arising to the Company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund or unit of a business trust where such transaction has been entered into on a recognized stock exchange of India and is chargeable to securities transaction tax ("STT") will be exempt in the hands of the Company. However, income by way of LTCG shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the Act.

viii) In accordance with section 112 of the Act, LTCG to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation.

ix) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under Section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ₹ 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

x) As per section 111A of the Act, STCG arising to the Company from the sale of equity share or a unit of an equity oriented fund or a unit of business trust, where such transaction is chargeable to STT will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.

xi) As per section 70 read with section 74 of the IT Act, Short Term Capital Loss ("STCL") computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss ("LTCL") computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

xii) Business losses, if any, for an assessment year can be carried forward and set off against business profits for eight subsequent years.

xiii) Unabsorbed depreciation, if any, for an assessment year can be carried forward indefinitely and set off against any sources of income in the same year or any subsequent assessment years as per section 32(2) of the Act subject to the provisions of section 72(2) and section 73(3) of the Act.

xiv) As per section 115JAA of the Act, credit is allowed in respect of any MAT paid under section 115JB of the Act for any assessment year commencing on or after 1st day of April 2006. Tax credit to be allowed shall be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. The MAT credit is allowed to be set-off in the subsequent years to the extent of difference between MAT payable and the tax payable as per the normal provisions of the Act for that assessment year. The MAT credit shall not be allowed to be carried forward beyond tenth assessment year immediately succeeding the assessment year in which tax credit become allowable.

xv) As per the Finance Act 2016, a new section 80JJAA has been inserted in place of existing section 80JJAA, whereby an assessee to whom section 44AB applies, shall be eligible for a deduction of an amount equal to 30% of additional employee cost incurred in the course of such business in the previous year, for 3 assessment years subject to conditions stipulated in the new section 80 JJAA.

The law stated below is as per the Income-tax Act, 1961 as amended by the Finance - Act, 2016 and on the assumption that the Equity Shares would not be held by the shareholders as stock-in-trade.

III. General tax benefits available to Resident Shareholders

i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115O received on the shares of any Indian company is exempt from tax. As per the Finance Act 2016, income by way of dividend in excess of ₹ 10 lakh shall be chargeable to tax in the case of an individual, Hindu undivided family (HUF) or a firm who is resident in India, at the rate of 10% plus applicable surcharge and cess.

ii) As per provisions of section 48 of the Act, LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

iii) As per section 10(38) of the Act, LTCG arising from the transfer of a long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.

iv) In accordance with section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) with indexation benefits. However, as per the proviso to section 112 of the Act, if the tax on LTCG is resulting from transfer of listed securities (other than unit) or zero coupon bonds, then LTCG will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge and education cess) of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge and education cess) of the capital gains as computed without indexation

v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: a. National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or b. Rural Electrification Corporation Limited, ta company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ₹ 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

vi) As per section 54F of the Act, LTCG in cases not covered under section 10(38) arising on the transfer of the shares of the company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two year after the date of transfer or to be constructed within three years after the date of transfer.

vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act. As per section 70 read with section 74 of the IT Act, Short Term Capital Loss computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the long term capital loss computed for a given year is allowed to be set off only against the LTCG. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

viii) No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

IV. General tax benefits available to Non-Resident Shareholders (Other than Foreign Institutional Investors ("FII's") / Foreign Portfolio Investors ("FPI's"))

i) As per section 10(34) of the Act, any income by way of dividends referred to in section 115-O received on the shares of any Indian company is exempt from tax.

ii) As per first proviso to section 48 of the Act, in case of a non-resident shareholder, the capital gain/loss arising from transfer of shares of the company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

iii) As per section 10(38) of the Act, LTCG arising from the transfer of long term capital asset being an equity share of the company, where such transaction has been entered into on a recognized stock exchange of India and is chargeable to STT , will be exempt in the hands of the shareholder.

iv) As per section 112 of the Act, LTCG to the extent not exempt under section 10(38) of the Act, would be subject to tax at the rate of 20% (plus applicable surcharge and education cess) after giving effect to the first proviso to section 48 of the Act. If the tax payable on transfer of listed securities exceeds 10% of the LTCG, the excess tax shall be ignored for the purpose of computing tax payable by the assesse.

v) Under section 54EC of the Act and subject to the conditions and to the extent specified therein, LTCG (in case not covered under section 10(38) of the Act) arising on the transfer of a Long Term Capital Asset would be exempt from tax if such capital gain is invested within 6 months from the date of such transfer in a "long term specified asset". A "long term specified asset" means any bond, redeemable after three years and issued on or after 1st day of April 2007 by the: (a) National Highways Authority of India constituted under section 3 of The National Highways Authority of India Act, 1988; or (b) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956. The total deduction with respect to investment in the long term specified assets is restricted to ₹ 50 lakhs whether invested during the financial year in which the capital asset is transferred or in subsequent year. Where the "long term specified asset" are transferred or converted into money within three years from the date of their acquisition, the amount so exempted is taxable as capital gains in the year of transfer / conversion.

vi) As per section 54F of the Act, LTCG (in cases not covered under section 10(38) arising on the transfer of the shares of the Company held by an Individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilized to purchase or construct one residential house in India. The residential house is required to be purchased within a period of one year before or two years after the date of transfer or to be constructed within three years after the date of transfer.

vii) As per section 111A of the Act, STCG arising from the sale of equity shares of the Company, where such transaction is chargeable to STT, will be taxable at the rate of 15% (plus applicable surcharge and education cess). Further, STCG as computed above that are not liable to STT would be subject to tax as calculated under the normal provisions of the IT Act.

viii) As per section 70 read with section 74 of the IT Act, STCL computed for the given year is allowed to be set off against STCG as well as LTCG computed for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off against subsequent years' STCG as well as LTCG. However, the LTCL computed for a given year is allowed to be set off only against the LTCG for the said year. The balance loss, which is not set off, is allowed to be carried forward for subsequent eight assessment years for being set off only against subsequent years' LTCG.

ix) In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident shall be required to provide such other information, as has been notified.

x) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a foreign company, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income.

V. Special tax benefits available to Non-Resident Indians

i) As per section 115C(e) of the Act, the term "non-resident Indians" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

ii) As per section 115E of the Act, in the case of a shareholder being a non-resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, LTCG on transfer of the shares of the Company (in cases not covered under section 10(38) of the Act) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess), without any indexation benefit.

iii) As per section 115F of the Act and subject to the conditions specified therein, in the case of a shareholder being a non-resident Indian, gains arising on transfer of a long term capital asset being shares of the Company which were acquired, or purchased with or subscribed to in, convertible foreign exchange, will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in section 10(4B) of the Act then this exemption would be allowable on a proportionate basis. Further, if the specified asset or saving certificates in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

iv) As per section 115G of the Act, non-resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

v) As per section 115H of the Act, where non-resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under section 139 of the Act to the effect that the provisions of Chapter XII-A shall continue to apply to him in relation to investment income derived from the investment in equity shares of the Company as mentioned in section 115C(f)(i) of the Act for that year and subsequent assessment years until assets are converted into money.

vi) As per section 115I of the Act, a Non-Resident Indian may elect not to be governed by the provisions of "Chapter XII-A – Special Provisions Relating to Certain Incomes of Non-Residents" for any assessment year by furnishing a declaration along with his return of income for that assessment year under section 139 of the Act, that the provisions of Chapter XII-A shall not apply

to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

vii) In a situation where the shareholder transfers the shares of the Company, which are held as 'long-term capital assets' and such transaction is not covered by the provisions of section 10(38) of the Act as referred to earlier, the shareholder can consider availing the benefit as provided in section 54F of the Act. Shareholders being individuals can consider the conditions so stated in section 54F of the Act and examine the availability of the benefit based on their individual tax position.

viii) In respect of non-resident Indian, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident Indian, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the nonresident Indian shall be required to provide such other information, as has been notified.

VI. Benefits available to FIIs / FPIs Special tax benefits

i) Under section 115AD(1)(ii) of the IT Act, income by way of STCG arising to the FII on transfer of shares shall be chargeable at a rate of 30%, where such transactions are not subjected to STT, and at the rate of 15% if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT. The above rates are to be increased by applicable surcharge and education cess. Under Section 115AD(1)(iii) of the IT Act income by way of LTCG arising from the transfer of shares (in cases not covered under Section 10(38) of the IT Act) held in the company will be taxable at the rate of 10% (plus applicable surcharge and education cess). The benefits of indexation of cost and of foreign currency fluctuations are not available to FIIs. Further, for the purposes of section 115AD, FPIs would get similar treatment as available to FIIs.

ii) As per section 196D(2) of the Act, no deduction of tax at source will be made in respect of income by way of capital gain arising from the transfer of securities referred to in section 115AD.

iii) In respect of FIIs and FPIs, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FIIs/FPIs is considered resident in terms of such Tax Treaty. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident. As per section 90(4) of the Act, an assessee being a non-resident, shall not be entitled to claim relief under section 90(2) of the Act, unless a certificate of his resident in any country outside India, is obtained by him from the government of that country or any specified territory. As per section 90(5) of the Act, the non-resident shall be required to provide such other information, as has been notified.

iv) As per clause (fb) and (iid) of Explanation 1 to section 115JB of the Act, the income from transactions in securities (other than STCG arising on transactions on which STT is not chargeable), interest, royalty, or fees for technical services arising to a FII, shall be excluded from the computation of book profit liable to MAT and the book profit shall be increased by the amount of expenditure corresponding to such income. 4. As per section 2(14) of the Act, any securities held by a FII / FPI which has invested in such securities in accordance with the regulations made under Securities & Exchange Board of India Act, 1992 would be treated as a capital asset only so that any income arising from transfer of such security by a FII / FPI would be treated in the nature of capital gains.

VII. Special tax benefits available to Mutual Funds

As per section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder, Mutual Funds set up by public

sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

VIII. THE WEALTH TAX ACT, 1957

Wealth Tax Act, 1957 has been abolished with effect from Assessment Year 2016-17.

IX. BENEFITS AVAILABLE UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gift made on or after 1 October 1998. Therefore any gift of share of a company will not attract gift tax.

NOTES:

1. The statement of tax benefits enumerated above is as per the Income Tax Act 1961 including amendments as set out in the Finance Act 2016.
2. As per the FA, surcharge is to be levied on individuals, HUF, AOP, body of individuals, artificial juridical person, co-operative society and local authorities at the rate of 12% if the total income exceeds Rs 1 Crore. As per the Finance Act 2016, Surcharge has been increased from 12% to 15% on tax if income exceeds Rs. 1 Crore on persons other than companies, firms and co-operative societies.
3. Surcharge is levied on domestic companies at the rate of 7% where the income exceeds Rs. 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds ₹ 10 crores.
4. Surcharge is levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the income exceeds ₹ 10 crores.
5. A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.
6. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares.
7. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.
9. 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.
10. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the FA.

Above are the possible tax benefits available to the shareholders under the current tax laws in India. Several of these benefits are dependent on the shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the shareholders to derive the tax benefits is dependent upon fulfilling such conditions. The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue 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.

SECTION V – ABOUT US

INDUSTRY OVERVIEW

The information in this section has not been independently verified by us, the Lead Manager or any of our or their respective affiliates or advisors. The information may not be consistent with other information compiled by third parties within or outside India. Industry sources and publications generally state that the information contained therein has been obtained from sources it believes to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions which may prove to be incorrect. Accordingly, investment decisions should not be based on such information.

Overview of Indian Economy

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF). According to IMF World Economic Outlook Update (January 2016), the Indian economy is expected to grow at 7.00-7.75% during FY 2016-17, despite the uncertainties in the global market. India's foreign exchange reserves stood at USD 360.00 billion by end of March 2016, as compared to USD 342.00 billion last year, according to data from the Reserve Bank of India (RBI).

The services sector of India contributes 65% to the Indian GDP while the manufacturing & industrial sector contributes 18% and the agriculture sector contributes 17%. The Gross Fixed Capital Formation (GFCF) at current prices stood at Rs 0.89 trillion (USD 131.36 billion) in the first quarter of 2016 while India's exports stood at USD 21.68 billion in July 2016. India’s principal export partners are US, Germany, UAE, China, Japan, Thailand, Indonesia and European Union. The cumulative FDI inflows from April 2000 to March 2016 are USD 288.513 billion wherein Mauritius (33.24%), Singapore (15.90%), UK (8.01%), Japan (7.27%), USA (6.22%) and Netherlands (6.00%) were the principal investing nations channelling the investment into sectors such as Services (17.60%), Construction Development (8.38%), Computer Software and Hardware (7.28%), Telecommunications (6.37%), Automobile (5.22%), Drugs and Pharmaceuticals (4.80%), Chemical (4.12%) and Trading (4.12%)

Source: *India Brand Equity Foundation - Indian Economy Overview & India - A Snapshot - September 2016: (www.ibef.org)*

Global Chemical Industry

Overview

The chemical industry includes basic and specialty chemicals, consumer care products, agrochemicals and pharmaceuticals and is also a major economic force which employs millions of people around the world, and generates billions of dollars in shareholder value and tax revenues for governments. It accounts for about 7% of global income and 9% of international trade. A variety of global economic and regulatory forces influence changes in chemical production, transport, import, export, use and disposal over time. In response to the growing demand for chemical-based products and processes, the international chemical industry has grown dramatically since the 1970s. Global chemical output was valued at USD 171.00 billion in 1970; by 2010, it had grown to USD 4.12 trillion.

Sub-Sectors

Bulk chemicals (also referred to as base chemicals) compose the first tier of production. These include both organic chemicals (also referred to as petrochemicals) and basic inorganics. The bulk chemicals are sold within the chemical industry and to other industrial sectors, and are used to make an enormous variety of downstream products. The organic bulk chemicals can, in turn, be considered in several tiers. The first tier consists of a handful of high volume chemicals: the olefins (ethylene, propylene and butadiene), the aromatics (benzene, toluene and xylenes) and methanol.

The second tier consists of a larger number of chemicals made from these starting materials, sometimes in combination with inorganic chemicals. A number of inorganic bulk chemicals are used primarily to produce

agricultural inputs. Others are added to basic organic chemicals, either to facilitate chemical reactions, or as additions to the product (for example, halogens are added to basic organic chemicals to create a wide variety of halogenated compounds).

Specialty chemicals are smaller-volume, more specialized chemicals. They include "adhesives and sealants, catalysts, coatings, electronic chemicals, institutional and industrial cleaners, plastic additives, water management chemicals," and others. Agricultural chemicals include pesticides and fertilizers. Some classification systems include them within the category of specialty chemicals.

Pharmaceuticals are sometimes grouped together with agricultural chemicals in a category of "life sciences chemicals." Biocides include both pesticides and antimicrobials. Antimicrobials may be used for pharmaceutical applications, or for industrial applications. In the latter instance, they may be grouped under the heading of specialty chemicals.

Global Scenario

The global chemicals industry has grown steadily over the past several decades. In the decade 2000 to 2010, the Global Chemical Production Regional Index calculated by the American Chemistry Council shows that total production increased 54%. Certain countries like China experienced rapid growth in their production which nearly tripled over that time period. In 2010, China was the largest chemical producing country, with sales of USD 754 billion.

The OECD countries as a group still account for the bulk of world chemical production, but developing countries and countries with economies in transition are increasingly significant. An analysis by OECD notes that while annual global chemical sales doubled over the period 2000 to 2009, OECD's share decreased from 77 % to 63 % and the share of the BRIICS countries (Brazil, Russia, India, Indonesia, China and South Africa) increased from 13 % to 28 %.
Source: *United Nations Environment Programme - Global Chemicals Outlook: (www.unep.org)*

Key Drivers

A variety of global economic forces influence changes in chemical production, use and disposal over time. Chemical use is influenced both by countries' domestic needs, and by global trade. Factors influencing the location of chemical use in manufacturing include proximity to raw materials, proximity to final markets, labour costs, and a range of other factors. For certain categories of manufacturing, proximity to raw materials can have a significant effect on costs of production and as a result, can influence chemical production near the source.
Source: *OECD Environmental Outlook for the Chemicals Industry: (www.oecd.org)*

Indian Chemical Industry

Overview

In terms of value and production volume, the Indian chemical industry is the 3rd largest producer in Asia and 6th by output in the world. Indian chemical industry is expected to grow at 11 per cent p.a. to reach size of USD 224.00 billion by 2017. In 2015, India chemicals industry had a market size of USD 144.00 billion. The chemical industry in India is a key constituent of Indian economy, accounting for about 2.11 per cent of the GDP. India accounts for approximately 16 per cent of the world production of dyestuff and dye intermediates, particularly for reactive acid and direct dyes. India is currently the world's third largest consumer of polymers and third largest producer of agrochemicals. India specialty chemical market is expected to reach USD 70.00 billion by 2020. Value of India's exports of inorganic chemicals have increased from USD 1.40 billion in FY 2014 to USD 0.70 billion in FY2015, while the organic chemical market has reached USD 5.90 billion in FY 2015 from USD 12.04 billion in FY 2014.
Source: *India Brand Equity Foundation – Chemicals - January 2016: (www.ibef.org)*

The production of major chemicals and petrochemicals during the years 2011-12 to 2015-16 (Upto September 2015) was 11.19 million MT, compared to 10.52 million MT in 2014-15 (Upto September 2014) implying a growth rate of 6.4%. The details of production of major chemicals (Excluding petrochemicals), the details of growth rate in production and share of chemical exports to national exports is as depicted in the table below:

(Figures in '000 MT)

Group	2011-12	2012-13	2013-14	2014-15	H1 2014-15	H1 2015-16
Alkali Chemicals	6,478	6,487	6,481	6,619	3,278	3,322
Inorganic Chemicals	881	873	892	922	457	482
Organic Chemicals	1,640	1,686	1,792	1,619	833	811
Pesticides	156	155	179	187	92	100
Dyes & Pigments	241	240	284	285	148	148
Total Chemicals	9,396	9,441	9,628	9,632	4,808	4,863

(Figures in %)

Group	2011-12	2012-13	2013-14	2014-15	H1 2014-15	H1 2015-16
Alkali Chemicals	3.30	0.10	(0.10)	2.10	-	1.30
Inorganic Chemicals	(1.90)	(0.90)	2.20	3.40	-	5.50
Organic Chemicals	5.80	2.80	6.30	(9.70)	-	(2.60)
Pesticides	8.50	(0.50)	15.40	4.20	-	8.20
Dyes & Pigments	(1.60)	(0.60)	18.40	0.60	-	0.20
Total Chemicals	3.20	0.50	2.00	-	-	1.10

(Figures in Rs. Crores)

Group	2011-12	2012-13	2013-14	2014-15	H1 2014-15	H1 2015-16
Total National Exports	1,465,959	1,634,319	1,905,011	1,896,348	971,716	848,831
Inorganic Chemicals	8,689	7,176	8,258	8,749	4,247	3,685
Organic Chemicals	56,659	66,435	73,565	73,603	36,240	37,810
Tanning or Dyeing	9,336	11,372	15,455	17,206	9,331	8,018
Other Chemicals	12,485	15,545	18,694	19,432	9,578	8,959
Total Chemical Export	87,169	100,528	115,972	118,990	59,396	58,472
% of Chemical to Total	5.95%	6.15%	6.09%	6.27%	6.11%	6.89%

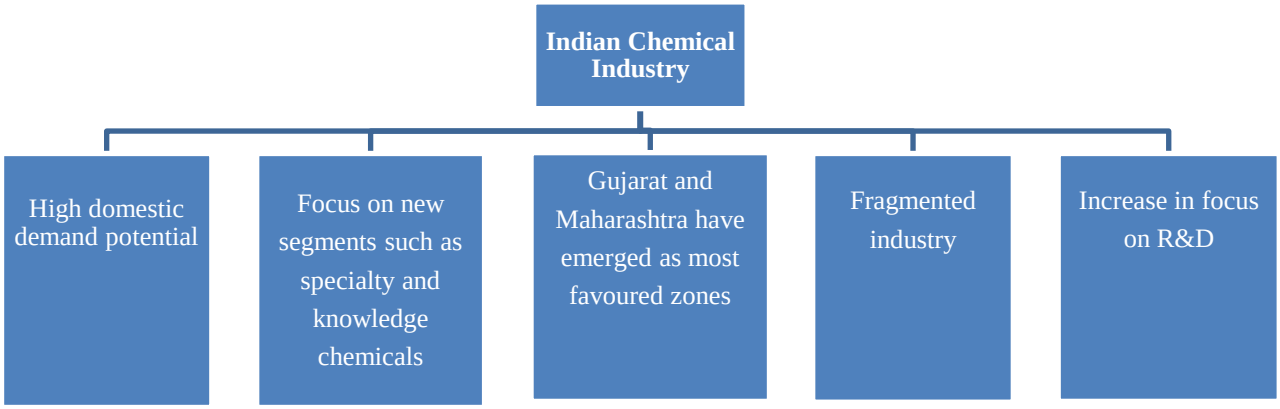
Source: *Ministry of Chemicals & Fertilisers, Government of India, Annual Report 2015-16: (www.chemicals.nic.in)*

Product-wise classification of the Indian Chemical Industry

Alkali Chemicals	Inorganic Chemicals	Organic Chemicals	Pesticides & Insecticides	Dyes & Dyestuffs
Soda Ash	Aluminum Flouride	Acetic Acid	Dichloro	Azo Dyes

			Diphenyltri Chloroethane	
Caustic Soda	Calcium Carbide	Acetone	Malathion	Disperse Dyes
Liquid Chlorine	Carbon Black	Phenol	Parathion	Fast Colour Bases
	Potassium Chlorate	Methanol	Ethicon	Ingrain Dyes
	Titanium Dioxide	Ortho Nitro Chlorobenzene	Endosulphan	Napthols
	Red Phosphorus	Isobutyl	Phosalone	Vat Dyes
		Para Nitrochlorobenzene	Phorate	Reactive Dyes
		Ethyl	Acephate	Pigment Emulsion
			Fenvalerate	Sulphur Dyes
				Other Dyes

Characteristics of the Indian Chemical Industry



Strong economic growth and rise in per-capita income has meant a steady increase in demand for chemicals, which is expected to clock a growth of 10-13 per cent over the coming years. The industry has left behind a low-growth and regulated environment to emerge more mature and a strong government support towards R&D would benefit the sector.

The below figure depicts the significant position of the chemical sector in the economy:



Domestic & External Demand: Key Growth Drivers

Total production in the Indian chemical industry was 9,107 MT in FY 2011 and had reached upto 9,627 MT in FY 2014 clocking a CAGR of 1.90 % from FY 2011-14, whereas in FY 2015 (upto September 2014), the production had reached at 4,794 MT. Favourable demographics and strong economic growth are driving demand for chemicals wherein external demand and specialty chemicals have also contributed strongly to the growth of the industry. Additionally, India's growing per capita consumption and demand for agriculture-related chemicals offers huge scope of growth for the sector in the future.

Exports of the Indian chemical industry stood at USD 4.90 billion for FY 2016 wherein the exports grew from USD 12.40 billion in FY 2013 to USD 12.70 billion in FY 2015, registering a growth of 0.9 %. During FY 2016, organic chemicals constituted 44.05 % of India's total chemical exports, followed by miscellaneous chemical at 18.45%.

Source: *India Brand Equity Foundation – Chemicals - January 2016: (www.ibef.org)*

Organic Chemicals

Introduction

Organic chemicals are a significant part of chemicals industry. Availability of natural gas for use as feedstock is a critical part of the production process for organics chemicals. For example, formaldehyde and acetic acid are important methanol derivatives and are used in numerous industrial applications. Similarly, Phenol is an aromatic compound and derived from Cumene, a benzene and propylene derivative.

Indian Organic Chemical Industry

Five major organic chemicals produced in India are Methanol, Aniline and its derivatives Formaldehyde, Acetic Acid and Phenol. Together, they contribute to 2/3rd of Indian basic organic chemical industry. The balance 1/3rd of the organic chemical consumption in the country is accounted for by several other wide varieties of chemicals like chloro methanes and ethyl acetates.

The demand for organic chemicals in India has increased at nearly 7.80 % in 2009-13 to reach 3.60 million tons in 2013. The domestic supply has however grown at a much slower pace and has essentially been stagnant in the last three years. This has resulted in widening of demand supply gap which was primarily bridged through imports. Domestic production has increased at 2.4% per annum and imports grew at a rate of 8.7% between FY 2009 and FY 2013. The stagnation in the domestic production is largely attributed to the large volume imports taking place from countries like China, resulting in low utilization rates of 60%.

Market Trends

- Initial trends (Between FY 2001 and FY 2010) indicated a shift in production of bulk chemicals from OECD countries to economies in transition. However, the analysis indicates that few countries with economies in transition are increasingly moving towards specialty and fine chemicals. This gradual shift is clearly visible in countries like China, India and Middle East.

- Consistent with trends from the past decade, China is expected to record highest annual growth rate in the bulk chemical production. On average China's chemical production is expected to grow at 10% between FY 2014 and FY 2021.

- Technology transfer happening from developed economies to economies in transition as a result of increased M&A activities, JVs and acquisitions has helped these economies play a larger role in the global market.

- Domestic utilization rates are expected to reach high levels of 90 % by the end of 2018, given the healthy growth in the end-user market.

- Government of India continues to provide duty protection to domestic manufacturers. Historically, the Government has also levied anti-dumping duty on import of phenol to protect domestic players from imports. In

Oct 2008, an anti-dumping duty was levied on imports from Singapore, South Africa and EU for a period of 5 years. In 2010, anti-dumping duty of up to USD 547/ tonne was imposed on imports from Japan and Thailand for a period of five years. In 2014, anti-dumping duty of up to USD 80/ton was imposed on imports from China and up to USD 194/ton was imposed on imports from any country other than China for a period of six months.

Key Challenges

- Lack of world class infrastructure: Given the poor infrastructure with lack of adequate facilities at ports and railway terminals and poor pipeline connectivity, domestic manufacturers will continue facing difficulty in procuring raw materials at a cost competitive with the global peers.

- Power: Uninterrupted power supply plays a major role in the efficient production of chemicals. In India, power supply has not increased at the same rate as demand, leading to interruption in the supply. India's distribution losses which are well above the global benchmarks are only compounding the problem. Large Indian chemical companies have started investing in captive power plants to ensure continuous supply of power to their plants. But this problem is plaguing the small & medium players of the industry. Thus, uninterrupted power supply is a challenge that confronts the bulk chemical industry.

- Logistic Issues: Indian bulk chemical industry is mainly concentrated in the west in Gujarat. Though the manufacturers enjoy easy access to raw materials, they face difficulty in supplying to end-use industries which are located in southern & eastern regions. For example, soda ash manufacturers are located in Gujarat, whereas 40% of the end use industries (glass, detergent and soap units) are located in south. This increases the transportation cost, thus making imports cheaper when compared to internal transport. (USD 50 per metric tonne (PMT) freight cost for transportation from western part to eastern part compared to USD 25 to USD 30 PMT average freight for imports).

- Lack of cheaper raw material availability: Feedstock (naphtha and natural gas) and power are critical inputs for both organic& inorganic chemicals industry. Costs of these raw materials are high in India compared to countries like China, Middle East and other South East Asian countries such as Thailand and Indonesia.

- No domestic price discovery: Domestic prices of organic chemicals are highly correlated with international prices. Given the small scale of domestic operations, local manufacturers are more influenced by global demand and supply forces.

- Large global capacity additions: Apart from the current oversupply in global markets, there is another cause of concern for domestic manufacturers, with further large capacity additions happening in global markets. For example, globally, methanol industry is expected to witness excess capacity in the future due to a spate of capacity additions in gas rich countries such as US, Middle East and Russia.

Key Opportunities

- Improved feedstock supply: Domestic organic chemicals players don't have the advantages of backward integration and hence, they lack pricing flexibility. However, given the new finds of natural gas reserves in the country, domestic manufacturers will be able to get supply of feedstock at stable prices.

- Wider product portfolio: Commodity chemicals companies can improve their product portfolio by adding specialty chemicals such as polymers additives, water treatment chemicals, lubricating additives, etc. This will help in improving their margins but requires significant R&D efforts.

- Forward integration: Petrochemical companies producing benzene and propylene can look for forward integration opportunity given the demand-supply deficit in phenol market. Similarly, an opportunity exists for companies with better access to natural gas supply to venture into the methanol market facing continuous supply deficit.

- Outbound approach: Even successful companies from west are shifting their base to resource rich nations like Saudi Arabia, Qatar, Russia, etc. Indian organic chemical companies may also explore opportunities outside the country either through Greenfield or brownfield projects.

- Setting up of Chemical Parks or Mega Chemical Estates to Make in India: In order to address the issue of capacity expansion and for creation of common infrastructure, the chemical industry, with support of Government could establish exclusive Chemical Parks - a concept similar to the one set up in Germany. Each of the German chemical parks and sites has its particular strengths which are reflected in its individual portfolio of services. The object of these initiatives is to support the chemical sites in their respective regions and to make them better known internationally. To this end, the industries work closely with the governments of the individual states, municipalities, universities and economic development agencies under public-private partnership model.

- Coal to Chemical opportunity: With no improvements in sight in the domestic production of natural gas and crude oil, Indian bulk chemical manufacturers should actively pursue the coal to chemical process to ramp up their manufacturing capacities. Government should take cognizance of the issue and make policy changes to encourage this route of bulk chemical manufacturing.

Future Outlook

While domestic demand of basic organic chemicals is expected to grow at 9% in 2014-18, mainly led by the growth in the end-user market, domestic utilization rates of the Indian plants are expected to be around 90% by the end of 2018. Imports as a percentage of domestic consumption is expected to widen from the existing 11% to 20% by the end of 2018. According to a research report, the India organic chemical industry will grow at a considerable CAGR rate thus exceeding a target of 2,418.2 TMT by 2019 due to the increasing number of end user industries and rising number of PCPIRs.

OUR BUSINESS

Overview

We are engaged in the manufacturing, marketing and sale of a variety of Organic Chemicals as well as in the marketing and sale of a variety of Organic Chemicals, Inorganic Chemicals, Dyes and Intermediates. We have an experience of 24 years in the manufacturing of Monochloroacetic Acid (MCA) & Sodium Monochloroacetate (SMCA), which is used in the synthesis of various Agricultural Chemicals, Cosmetic Surfactants, Oil Drilling Chemicals, Plastic Additives etc. We are an ISO 9001:2008 certified company with a fundamental focus to innovate, collaborate and enhance the process of serving products to the market and our customers. Over the years we have maintained a steady growth and have successfully expanded our business in USA, Europe, and Middle East and other countries.

Our present manufacturing facility is located at Plot No. 25/9-A & B Phase-III, GIDC Naroda, Ahmedabad, Gujarat, India (Naroda Unit) on a land area admeasuring 7,580 sq. mtrs. In order to expand our current manufacturing operations, our Company is in the process of establishing a new manufacturing facility at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India ("Bhavnagar Facility") on a land area admeasuring 56,656 sq. mtrs. In this regard, our Company has purchased the land and has started construction of the proposed plant. The Bhavnagar Facility will add to the production capacity of Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA) and will add Chloro Acetyl Chloride (CAC) as well as Polyaluminium Chloride (PAC) to our product portfolio. We propose to fund this expansion partly from the proceeds of the Issue. For further details, please refer to section titled "*Objects of the Issue*" beginning on page 56 of the Draft Letter of Offer.

Our Company has a well-established market of its own. The Promoters are actively connected with the customers. The major customers of the Company include several large Indian and International companies who are engaged in the Agrochemical Manufacturing Sector, Pharmaceuticals Manufacturing Sector and Cosmetics Manufacturing Sector.

Our Company's total revenue as restated in Fiscal 2016, Fiscal 2015and Fiscal 2014 was ₹ 5,157.61 lakhs, ₹ 5,594.67 lakhs and ₹ 4932.52 lakhs, respectively. Our Company's profit after tax as restated in Fiscal 2016, Fiscal 2015 and Fiscal 2014 was ₹ 146.59 lakhs, ₹ 79.56 lakhs and ₹ 59.59 lakhs, respectively. Our total revenue as restated in the three months ended June 30, 2016, was ₹ 1,056.38 lakhs.

Our Competitive Strengths

The following are our key strengths which we believe enable us to be competitive in our business:

Experienced Management Team and Technical Personnel

Our Company is led by an experienced and qualified management team. Mr. Kandarp Amin has an experience of 35 years in chemicals trading business and 20 years in manufacturing of chemicals, Ms. Archana Amin has an experience of about 12 years in procurement export business and production planning in the Chemical Industry. Mr. Archit Kandarp Amin and Mr. Suchit Kandarp Amin, having an experience of more than 8 years and more than 3 years respectively in the Chemical Industry, have been instrumental in developing and enhancing the quality of the product portfolio of the Company. Our technical team includes several persons who have an experience of more than 10 years' in the Chemical Industry. Our management and executive team have been instrumental in setting the business direction of our Company and they will continue to guide our Company in the expansion of our business with their experience and technical expertise.

Well Established Manufacturing Facilities and Production Operations Team

Our Company's manufacturing facility is located at Naroda, Ahmedabad, Gujarat. The manufacturing facility is equipped with all the requisite plant, equipment, machinery and infrastructure to enable our Company to produce high quality products in a cost efficient manner to the satisfaction and suited to the standards of our domestic and international customers.

Our production operations at our manufacturing facility is managed by a team of skilled technical engineers with the requisite technical know-how and science graduates with specialization in chemistry to carry out our

production processes. With the expertise of these technical persons, we have developed efficient production processes aimed to maximize yield and minimize costs.

A strong emphasis on Research and Development with well-equipped R & D facility

Our products are developed using in-house technologies through Research and Development carried out over a period of years with an emphasis on the specific requirements of our customers. This way we are able to better manage competition from other manufactures since our products are best suited to the requirements of our customers.

Our analytical laboratory is equipped with intermediate quality testing for in-process materials at different stages and quality control laboratory is equipped with testing procedures laid down for finished products ensuring that the quality is consistent and in line with the intended output. Moreover, our laboratory with our highly qualified technicians enables us to focus on process optimization, improvement to yields and waste minimization, so as to be cost effective in all our products.

Efficient Sales and Marketing with an increasing in market share in domestic and international markets

Our domestic and international marketing is carried out under the supervision of our Promoters, who are instrumental in designing various marketing and promotional strategies for our products. We believe that our strategic marketing, experienced Promoters and strong business relations would enable us to increase our sales across the market.

Consistent delivery of quality products

We offer quality products to our customers, many of whom are large international customers spread across USA, Europe, South America etc. Through our research and development efforts in improving our production processes, we have developed products suitable for use in a multitude of applications which we are able to sell at competitive prices through prudent cost controls.

Our Business Strategies

The key components of our strategy is to achieve best in class manufacturing and strengthen our position across our spectrum of the Chemical Industry by expanding our market share in India as well as in the International Markets. Our principal strategies to achieve these objectives include the following:

Enhancing our manufacturing facilities by adding new lines of manufacturing for new products

Our Company's latest manufacturing facility is under construction at Narmad RS No. 228/1A Paiki 7/2, Bhavnagar, Gujarat to manufacture Chlorine Derivatives. The manufacturing technology and facility has been conceived and designed to enable the Company to manufacture MCA (Monochloro Acetic Acid) in a ultra-pure grade with less than 500 ppm impurity. Using this ultra-pure grade MCA, we shall be able to manufacture an ultra-pure grade Chloro Acetyl Chloride (CAC) as well. This will result in increase in efficiency, improvement in product quality and reduction in costs.

Our Company has recently developed a new product in coatings segment which can be used for industrial as well as water proofing applications. We shall continue to innovate and add new products that will add value to our business and to our customers.

To expand our customer base in India

With an increased capacity at our upcoming manufacturing facility at Bhavnagar, our Company plans to strengthen its sales and marketing network in the domestic market as well by actively engaging with those Companies that are engaged in the Agrochemicals, Pharmaceuticals and Water Treatment Industry in India which have specific applications for the products manufactured by our Company.

Continue to focus on our export business

In FY16, exports constituted 81% of our manufactured turnover. We believe that our growth in international markets will result from the growing demand for our products. Our manufacturing facilities which are efficient

and compliant with international products standards shall enable us to satisfy our international customers and increase our international business. We shall also work towards expanding our agent network in our current and planned export countries with effective Overriding Rate Commission arrangements as well as having offices in certain strategic locations to support the growth in our existing markets, developing a broader market penetration strategy, territory-specific marketing and establishing our presence in developed markets..

Hire or Set up adequate warehousing facilities in international markets

In order to enhance our service support to our customers in international markets, we plan to hire or establish warehousing facilities in certain strategic locations in order to ensure that our products are delivered in a shorter time, be better engaged with our customers and facilitate their storage needs.

Collaborations

Our Company does not have any collaboration with any Indian or Foreign Company except with our machinery suppliers who provide regular assistance to us for operation and maintenance of our Plant and Machineries.

Recent Developments

There has been no material development in relation to our Company, its Promoters or our Group Companies since March 31, 2016.

Our Products

Traded Products

Our Company is engaged in the trading of certain Organic and Inorganic Chemicals, Dyes and Intermediates.

Manufactured Products

Our Company is engaged in the manufacturing of certain Organic Chemicals namely, Monochloroacetic Acid (MCA) and Sodium Monochloro Acetate (SMCA). The details of our products are as under:

Monochloroacetic Acid (MCA):

Monochloroacetic Acid, CCIH2COOH (chloroacetic acid), is a carboxylic acid which is formed by chlorinating acetic acid. It is a colourless, deliquescent crystalline solid with an odour. MCA is highly soluble in water as well as most organic solvents, except carbon tetrachloride. As its structural formula indicates, it is bi functional; with the groups having the possibility of undergoing a reaction.

Pure Monochloroacetic Acid is available in molten state, as flakes or dissolved in water, ethanol and methanol. At room temperature, MCA solids have the appearance of a hygroscopic crystalline substance with a characteristics acidic odour. Monochloroacetic Acid 80% solution (above 18 degrees centigrade) in water and Monochloroacetic Acid molten (above 62 degrees centigrade), is a clear fluid with a characteristic acidic odour.

MCA is used as a versatile intermediate in the manufacturing of various agrochemicals viz. 2, 4-D, Glyphosate etc. It is widely used as a main raw material for various pharmaceuticals viz. Ibuprofen, Diclofenac, etc. & in the manufacturing of Carboxy Methyl Cellulose.

Sodium Monochloro Acetate (SMCA):

Sodium Monochloro Acetate (SMCA) is the derivative of Monochloroacetic Acid (MCA) obtained by its neutralization with alkali. This is a versatile product and is used as raw material or intermediate in the manufacture of the following important organic and textile chemicals. - Herbicides such as 2.4D, 2,4,5 Trichlorophenoxyacetic Acid; Sequesttering agents such as Sodium salt of Ethylene Diaminetetria acetic Acid (EDTA), Nitriloacetic Acid etc.; Sodium Carboxymethyl Cellulose (CMC); Carboxymethyl Starch; Glycolic Acid; Triglycolic Acid; Cyanoacetic Acid and its Easters; Dyes such as Indigo; Substituted Guar Gums.

Sodium Monochloroacetate is a white colour free flowing fine powder with a pungent odour. It is readily soluble in water and available as technically pure grade. It is available as granule and in powder form (of the two forms,

granules have better flowing characteristics and reduced caking behavior, making them easier to use.

SMCA is used as in applications to manufacture cosmetics, textiles auxiliaries, dyes, in the gum industries etc.

Our Manufacturing facilities

Our manufacturing facility is located at 25/9/A & B, Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330, Gujarat, India. We have an installed capacity to manufacture 6000 MT p.a. of MCA and 1800 MT p.a. of SMCA. We have made efforts to achieve high standards of quality of the products manufactured. Our manufacturing facility is ISO 9001:2008 certified.

Our Company proposes to set up another manufacturing facility to be located at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India. The land is purchased and the Plant is under construction. This proposed new manufacturing facility will add to the production capacity of MCA and SMCA and will also add Chloro Acetyl Chloride (CAC) and Polyaluminium Chloride (PAC) into our product portfolio, with an installed capacity of 3,000 MT p.a. of CAC and PAC with an installed capacity of 12,000 M.T. p.a. The installed capacity of producing MCA at new unit will be 12,000 MT p.a. and that of SMCA will be 2,400 MT p.a.

Production Capacities and Utilization

Naroda Facility:

Installed capacity and production (in MT)

Products	FY2016		FY2015		FY2014	
	Installed capacity	Production	Installed capacity	Production	Installed capacity	Production
MCA	6,000	5234.25	6,000	4962.90	6,000	4461.55
Utilization %	*87.24%*		*82.72%*		*74.35%*	
SMCA	1,800	790.06	1,800	840.50	1,800	1150.55
Utilization %	*43.89%*		*46.69%*		*63.92%*	

Projected Installed capacity and production for next three (3) financial years

Products	FY2017		FY2018		FY2019	
	Installed capacity	Production	Installed capacity	Production	Installed capacity	Production
MCA	6,000	5,100	6,000	5,100	6,000	5,100
Utilization %	*85%*		*85%*		*85%*	
SMCA	1,800	1,530	1,800	1,530	1,800	1,530
Utilization %	*85%*		*85%*		*85%*	

Bhavnagar Facility:

Additional Installed capacity and projected production for next three (3) financial years:

Products	FY2017		FY2018		FY2019	
	Installed capacity	Production	Installed capacity	Production	Installed capacity	Production
MCA	12,000	3,535	12,000	8,400	12,000	9,000
Utilization %	*29.46%*		*70%*		*75%*	
SMCA	2,400	707	2,400	1,680	2,400	1,800
Utilization %	*29.46%*		*70%*		*75%*	
CAC/SBS	3,000	884	3,000	2,100	3,000	2,250
Utilization %	*29.46%*		*70%*		*75%*	
PAC	-	-	12,000	7,200	12,000	8,400
Utilization %	-		*60%*		*70%*	

Note on Capacity Utilization

The projected capacity utilization of SMCA at Naroda Unit is higher than the average of actual capacity utilization in past three years' by more than 25%. SMCA is a versatile product and our Company expects increase in the demand of SMCA due to its varied application in the growing industries such as cosmetics, textiles auxiliaries, dyes and gum. Further, SMCA is a derivative of MCA. As the Company is expecting to maintain production of MCA utilizing 85% of its capacity, production of SMCA is expected to increase in future.

Manufacturing Process

1. Monochloroacetic Acid (MCA)

Acetic Acid (AA) is reacted with gaseous chlorine in presence of Acetic Anhydride (catalyst) in a chlorinator at elevated pressure & temperature. The resultant mass is then crystallized and further purified by centrifuging to produce a pure form of Monochloroacetic Acid.

2. Sodium salt of Monochloroacetic Acid (SMCA)

SMCA is produced by the reaction of MCA with Soda Ash in a ribbon blender. The resultant mass is dried using tray dryers and then packed.

Key Manufacturing Resources

Plant, Machinery and Technology

The plant and equipment used in our production facilities comprise of glass lined reactors, distillation vessels, filter press, spin flash dryer, thermo pack (thermic fluid heater), steam boiler and power generators, acid treatment vessels, centrifuge, blenders, and chilling plants. Most of the machinery used in our production facilities are manufactured in India and are readily available from such manufacturers.

Except for maintenance shut-downs, our Naroda Unit is a batch process plant and operates throughout the year. We carry out maintenance, repairing and servicing of our equipment at these facilities at regular intervals.

Raw Material, chemicals and packaging materials:

The major raw materials used for the manufacture of our products include acetic acid, acetic anhydride, chlorine, caustic lye (100%), Soda Ash, Clays, Powders etc.

All our raw materials are procured from well-established and reputed suppliers in India at reasonable prices.

Water:

We pre-dominantly rely on the supply from GIDC for the supply of water for our manufacturing facilities and administrative requirements. Our consumption of water is approximately 100,000 liters per day on a fixed rate basis.

Power:

We rely on electricity supplied by the state electricity board i.e. Uttar Gujarat Vij Company Limited. We have installed diesel generating sets at our Naroda facility as a back-up of power with a capacity of 125 Kva.

At our proposed facility at Bhavnagar, we have applied for a power connection from Paschim Gujarat Vij Company Limited for a capacity of 1500 Kva. The application is under process and pending for approval.

Environmental Matters and Control System:

We have the necessary facilities to treat air emission that contain pollutants, in accordance with the requirements of the GPCB. At our Bhavnagar facility, no gaseous or liquid effluent will be generated since all the by-products will be re-used efficiently in the next production process. The Bhavnagar plant will be environmentally benign.

Quality and Quality Control:

Our Company has a team of dedicated, well qualified and experienced technical persons for quality assurance and quality control. Our Quality control laboratory is equipped with all requisite instruments for qualitative and quantitative analysis of raw materials, in process materials and finished goods.

Planned Preventive Maintenance of Equipment:

Our Company has its own maintenance work shop with simple machine tools handling tools and is equipped to take care of preventive maintenance and breakdowns. Preventive maintenance is carried out every 3 months. A register is maintained at our plant to record activities of preventive maintenance.

Safety Procedures

Some of our products and raw materials are considered hazardous and/or poisonous. We have adopted safety procedures at our manufacturing facility, particularly in relation to the, storage, transportation and sale of such hazardous and/or poisonous substances.

The Company has an "On-site Emergency Plan" approved by the Director. Mock-drills are conducted at different sections of the manufacturing facility so that the employees are trained to maneuver through an emergency situation. They are provided with personal protection equipment such as safety shoes, gloves, goggles, helmets, etc. The Factory Manager oversees compliance with safety procedures.

Our Company also conducts periodic medical tests of all the persons working at our manufacturing facilities and involved in the production of our products. We also maintain a first aid kit at our facility for immediate treatment in case of basic medical necessities.

Research and Development

Our research and development activities carried out at our Naroda unit are focused on (i) improving process yields, (ii) increasing purity and reducing wastage, (iii) decreasing impurity, and (iv) developing efficient production processes for the manufacture of existing and new Organic Chemical products.

Customers and Suppliers

Customers

Our customers for our Organic Chemical products are mainly from the Agrochemical, Pharmaceutical and Cosmetic Industry. We maintain good relations with our customers through delivery of quality products suited to their requirements as well as active engagement with them periodically to ascertain their requirements and satisfaction of our products. We have been successful in obtaining quarterly contracts as well as repeat contracts from our export customer.

Suppliers

When selecting suppliers for businesses, we consider factors such as their market reputation and track record as well as the product quality and pricing of raw materials/materials supplied. Our suppliers are domestic companies of repute situated in India.

Marketing and Selling Arrangement

Our Promoters are actively involved in our domestic and international marketing initiatives. The design various marketing and promotional strategies for our products is determined and decided in consultation with them. We believe that our strategic marketing, experienced Promoters and strong business relations would enable us to increase our sales across the domestic and international markets. In our international markets, our promoters have been successful in establishing a network of agents who work to promote and market the products of our company on Overriding Rate Commission arrangements. Our Promoters and marketing executives visit our customers on a periodic basis to maintain a close contact with them, and to be kept informed of the latest developments and the needs of these customers. This active engagement with our customers has been vital in assisting us secure recurring contracts. Our Company also invites potential and existing customers to visit our facility to provide us an

opportunity to demonstrate to them our products and production facility. This, we believe, is an important initiative in marketing to potential overseas customers and strengthening existing relationships.

Export Obligation

Details of exports and export obligation are as under:

Sl. No.	License No.	Date	Amount of Export Obligation (in US $)	Amount in (Rs.)	Period within which the obligation is to be fulfilled
1	0810138082	02.06.2016	180,000.00	11,943.000.00	ONE YEAR
2	0810138092	03.06.2016	1,500,000.00	99,525,000.00	ONE YEAR

Competition

Generally, the Organic Chemical Industry operates in a highly competitive environment. We face competition from manufacturers based in India as well as other low-cost countries to export or supply to companies based in our export markets. However, on account of our product quality, competitive pricing, strong customer relationships and presence in the market for over 2 decades, we have been able to manage our completion in this Industry.

Information Technology

Our Company makes adequate use of information technology in their administrative and production matters through computerization of tasks, use of acceptable business applications, use of market accepted accounting software to generate regular need based MIS, costing as well as accounting and finance functions.

Human Resources

Our manufacturing process requires an appropriate mix of skilled, semi-skilled and un-skilled labour. As on September 30, 2016, we have a total of 45 permanent employees at our manufacturing facilities and at our Registered and Corporate Offices and 20 contract workers and others who are not on our rolls.

Our existing and proposed manufacturing units are surrounded by industrial units and connected by rail and road with full conveyance facilities ensuring connectivity and availability of required manpower. At our proposed manufacturing facility at Bhavnagar, our Company shall also provide transport and canteen facilities.

The break-up of our employees is given below:

Designation	Number
Office Staff	26
Electrician	1
Fitter/Turner	3
Peon	1
Plant Operator	11
Plant helper	3
Total	**45**
Skilled workers cum Operators	41
Unskilled workers	4
Total	**45**

Our employees are not currently unionized, and there have been no work disruptions, strikes, lock-outs or other employee unrest to date. We believe that our relations with employees are cordial. We maintain high safety standards in our facilities to ensure that none of our employees are exposed to any hazards.

Insurance

Our Company maintains adequate insurance policies for its manufacturing facility as well as the office premises of

our Company. Our Company generally maintains insurance covering its assets and operations at levels that it believes to be appropriate.

Policy No.	Issued By	Particulars	Sum Insured & Premium Paid	Place Of Coverage
21230044155100000036	The New India Assurance Co. Ltd.	Machinery Insurance Policy	Rs. 56,42,131 & Rs. 58,142	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230044155200000014	The New India Assurance Co. Ltd.	Boiler & Pressure Plant Policy	Rs. 6,00,000 & Rs. 5,904	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230011150500000005	The New India Assurance Co. Ltd.	Business Interruption (Fire) Policy	Rs. 2,50,00,000 & Rs. 22,363	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230046150100000130	The New India Assurance Co. Ltd.	Burglary (Single Location) Insurance Policy	Rs. 1,50,00,000 & Rs. 6,012	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230011150100000454	The New India Assurance Co. Ltd.	Fire & Special Perils Policy	Rs. 3,80, 0,000 & Rs. 30,986	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230036150600000008	The New India Assurance Co. Ltd.	Public Liability (Industrial Risks) Insurance Policy	Rs. 50,00,000 & Rs. 17,175	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.
21230048150300000046	The New India Assurance Co. Ltd.	Money Insurance Policy	Rs. 63,00,000 & Rs. 1,577	25/9/A & B Phase-III, G.I.D.C., Naroda, Ahmedabad – 382330 Gujarat, India.

Properties

We occupy following properties:

Sl. No.	Description of Property	Area	Date of Agreement	Owned / Leasehold/Rented	Seller / Owner
1.	Naroda Facility (Registered office & Manufacturing Unit): Plot No. 25/9-A/B Phase-III, GIDC Naroda, Ahmedabad, Gujarat, India	7,580 sq.mt.	April 25, 2003	Leasehold	GIDC
2	Bhavnagar Facility (Manufacturing Unit): Narmad RS No. 228/1A Paiki 7/2 Bhavnagar,	15,902 sq. ft. on Land area of 56,656 sq.mt. Cost of	February 6, 2015	Owned	Savuben Chitharbhai Vegad & others

	Gujarat, India	Acquisition of Land: ₹ 48.50 Lakhs			
3.	Corporate Office: 4th Floor, 402-403, Smit Complex, B/H, Navrangpura Post Office, Navrangpura, Ahmedabad – 380 009	580.84 sq.ft.	April 1, 2010	Rented	Kandarp k. Amin & Archana K. Amin
4.	Plot of land: Plot No. 70, Village: Lambha Piplaj Dist. Ahmedabad	1,675.93 sq. mt. Cost of acquisition: Rs. 57.50 Lakhs	March 31, 2011	• Owned and registered in the name of our Company • has a clear title, free from all encumbrances • no approval required in relation to the land	Devraj Infrastructure Limited
5.	Godown: Piplaj, Dist. Ahmedabad	958 sq. yards	April 1st, 2010	Rented	Kandarp k Amin

KEY INDUSTRY 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 Company. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled "Government and Other Statutory Approvals" on 173 of this Letter of Offer.

Our Company is primarily engaged into the business of manufacturing various Organic Chemicals, Pigments, Specialty Derivatives, Cosmetic products, Adhesives. In light of the same, the major regulations governing the Company are detailed below:

ENVIRONMENTAL LAWS

The **Environment (Protection) Act, 1986** (the **"EPA"**) is an umbrella legislation designed to provide a framework for the government to coordinate the activities of various central and state authorities established under various laws, such as the Water (Prevention and Control of Pollution) Act, 1974, the Water (Prevention and Control of Pollution) Cess Act, 1977, the Air (Prevention and Control of Pollution) Act, 1981, etc. The EPA vests with the Government, the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for laying down the quality of environment, standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, and examination of manufacturing processes and materials likely to cause pollution.

The **Water (Prevention and Control of Pollution) Act, 1974** (the **"Water Act"**) aims to prevent and control water pollution by factories and manufacturing units and to maintain and restore the quality and wholesomeness of water. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, using of any new or altered outlet for the discharge of sewage or causing new discharge of sewage, must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with.

The **Air (Prevention and Control of Pollution) Act, 1981** (the **"Air Act"**) provides for the prevention, control and abatement of air pollution. Pursuant to the provisions of the Air Act, any person establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant state pollution control board prior to establishing or operating such industrial plant. The state pollution control board must decide on the application within a period of four months of receipt of such application. The consent may contain certain conditions relating to specifications of pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the state pollution control board.

The **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016** (the **"Hazardous Wastes Rules"**) aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste. The Hazardous Wastes Rules impose an obligation on every occupier and operator of a facility generating hazardous waste to dispose of such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier, the transporter and the operator are liable for damages caused to the environment resulting from improper handling and disposal of hazardous waste. The operator and the occupier of a facility are liable for any fine that may be levied by the relevant state pollution control board with the prior approval of the Central Pollution Control Board.

The **Public Liability Insurance Act, 1991** (the **"PLI Act"**) imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substances. A list of hazardous substances covered by the legislation has been enumerated by the government by way of a notification. Under the law, the owner or handler is also required to take out an insurance policy insuring against liability. The rules made under the PLI Act mandate that the employer has to contribute towards the Environmental Relief Fund a sum equal to the premium paid on the insurance policies.

State Fire Safety Act

The Fire safety Acts have been enacted by each state separately, which is applicable to the Establishment which is likely to cause a risk of fire falling within the jurisdiction of that particular state. Under the Acts, ever factory is required to obtain a 'No Objection Certificate' from the Fire Service Department for establishment and running of the factory. The said certificate is valid for a period of one year from the date of its issue.

The penalties for the failure to comply with the provisions of the Fire Safety Act shall be levied on every person in-charge of and was responsible to the Company for the conduct of the business of the Company as well as the Company be guilty of the offence and shall be proceeded against and punished accordingly.

BUSINESS RELATED LAWS

The Explosives Act, 1884 and Explosives Rules, 2008

The Explosives Act, 1884 (the "**Explosives Act**") is an act which regulates the manufacture, possession, use, sale of explosives. In exercise of the powers conferred under the Explosives Act and in supersession of Explosives Rules, 1983, the Central Government makes the Explosives Rules, 2008 ("**Explosives Rules**") to regulate or prohibit, except under and in accordance with the conditions of a license granted as provided by those rules, the manufacture, possession, use, sale, transport, import and export of explosives, or any specified class of explosives.

Where a person makes an application for license, the prescribed authority shall, subject to the provisions of the Explosives Act, either grant the license or refuse to grant the same. Under rule 7 of the Explosives Rules, the licensing authority shall grant a license where it is required for the purpose of manufacture of explosives if the licensing authority is satisfied that the person by whom license is required possesses technical know-how and experience in the manufacture of explosives and where it is required for any other purpose, if the licensing authority is satisfied that the person by whom license is required has a good reason for obtaining the same. Rule 106 states that the licensing authority may grant a license for a period of 6 months for import export of explosives or for 5 years in case of manufacture of explosives.

Indian Boilers Act, 1923 ("**Boilers Act**")

The Indian Boilers Act, 1923 (the "**Boilers Act**") provides for standards in respect of materials, design and construction, inspection and testing of boilers and boiler components for compliance by the manufacturers and users of boilers in India. The Boilers Act prohibits the use of boilers except under and in accordance with the conditions of registration and certificate granted under the provisions of this Act.

The Narcotic Drugs and Psychotropic Substances Act, 1985 ("Narcotic Act")

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals, commonly known as precursors, which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Further, an amendment in 2001 was made to ensure that while punishment awarded for drug trafficking was deterrent, sentences awarded to drug addicts were commensurate to the offences committed by them. A subsequent amendment in 2014 has now made it difficult for drug traffickers to acquire property from the income generated by their illegal activities. It has also made enabling provisions for the introduction of an alternate method of obtaining alkaloids of opium through production of concentrate of poppy straw instead of production and processing of opium in the country.

LABOUR LAWS

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company. The Industrial Disputes Act, 1947, as amended, provides

for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Factories Act, 1948

The Factories Act, defines a 'factory' to cover any premises which employs ten or more workers and in which manufacturing process is carried on with the aid of power and covers any premises where there are at least 20 workers who may or may not be engaged in an electrically aided manufacturing process. Each State Government has rules in respect of the prior submission of plans and their approval for the establishment of factories and registration and licensing of factories. The Factories Act provides that 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.

Shops and Establishments Act

The provisions of the Shops and Establishments Act regulate the conditions of work and employment of persons employed in commercial establishments and shops by making provisions for the maximum limit of working hours, rest intervals, permitted leaves, minimum age limit of employees, termination of employment and other rights and obligations of the employers and employees *vis-a-vis* each other. Each shop/establishment is governed by the Shops and Establishments Act of the state in which it is located.

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 are also required from the state pollution control board(s), the relevant state electricity board(s), the state excise authorities, sales tax, among others, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

In respect of each of the facilities, our Company uses the services of certain licensed contractors who in turn employ contract labour whose number exceeds 20 in respect of each facility. Accordingly, our Company is regulated by the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, as amended (the **"CLRA Act"**), and the rules framed thereunder which requires our Company to be registered as a principal employer and prescribes certain obligations with respect to welfare and health of contract labour. The CLRA Act imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be levied for contravention of the provisions of the CLRA Act.

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the **"EPF Act"**) applies to factories employing 20 or more employees and such other establishments and industrial undertakings as notified by the government from time to time. The EPF Act requires all such establishments to be registered with the Regional Provident Fund Commissioner and requires the employers and their employees to contribute in equal proportion to the employees' provident fund, the prescribed percentage of basic wages and dearness and other allowances payable to employees. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

The Employees' State Insurance Act, 1948 (the **"ESI Act"**) provides for certain benefits to employees in case of sickness, maternity and employment injury. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is required to register such factory or establishment under the ESI Act and maintain prescribed records and registers. Every employee (including casual and temporary employees), whether employed directly or through a contractor, who is in receipt of wages up to ₹ 15,000 per month is entitled to be insured under the ESI Act.

Minimum Wages Act, 1948, as amended (the "**Minimum Wages Act**") provides a framework for State governments to stipulate the minimum wage applicable to a particular industry. The minimum wage may consist of

a basic rate of wages and a special allowance; or a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities; or an all inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at overtime rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment.

Payment of Gratuity Act, 1972, as amended (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 noncompliance 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 Payment of Wages Act, 1936 (the "**Payment of Wages Act**") regulates the period and payment of wages, overtime wages and deductions from wages and also regulates the working hours, overtime, weekly holidays of certain classes of employed persons. It requires the persons responsible for payment of wages to maintain certain registers and display of the abstracts of the rules made their under. The Act also contains provisions as to the minimum wages that are to be fixed by the appropriate governments for the employees, entitlement of bonus of the employees, fixing the payment of wages to workers and ensuring that such payments are disbursed by the employers within the stipulated time frame and without any unauthorized deductions.

Payment of Bonus Act, 1965, as amended (the "**Bonus 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.

Industrial Disputes Act, 1947, as amended (the "**Industrial Disputes Act**") 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.

Workmen's Compensation Act, 1923, as amended (the "**Compensation Act**") provides for payment of adequate compensation by an employer to its workers for injury suffered by accident in the course of employment. The Compensation Act sets out in detail the workers qualified to claim compensation under its provisions on the basis of the work allotted to them, the nature and severity of injury suffered. It also provides for a grievance redressal mechanism to settle any dispute which may arise between the employer and worker with respect to the compensation payable.

FISCAL REGULATIONS

The Foreign Trade (Regulation and Development) Act, 1992

The Foreign Trade (Regulation and Development) Act, 1992 (the **"Foreign Trade Act"**) was enacted to provide for the development and regulation of foreign trade by facilitating imports into and augmenting exports from India. The Foreign Trade Act prohibits anybody from undertaking any import or export except under an importer-exporter code number granted by the Director General of Foreign Trade pursuant to section 7. Hence, every entity in India engaged in any activity involving import/export is required to obtain an Importer Exporter Code ("IEC") unless specifically exempted from doing so. The IEC shall be valid until it is cancelled by the issuing authority.

The Customs Act, 1962

The Customs Act, 1962 (the "Customs Act") contains provisions relating to customs. All the matters relating to customs are handled by the Central Board of Excise and Customs constituted under the Central Boards of Revenue Act, 1963. Under the Customs Act, goods cannot be taken by the importers without clearance. For this, all the importers are required to file a bill of entry or a cargo declaration containing all the particulars of the goods being

imported with the appropriate authority. After registration of the bill of entry, it is forwarded to the concerned appraising group in the custom house. Following this, the assessment officer determines the amount of duty to be levied on the goods. It is important that the correct description is provided in the bill of entry as the goods are examined for verification. It is only after this that the importer can take the delivery of the goods.

Central Excise

Excise duty is to be paid by manufacturers on manufacture or production of goods. The Central Excise Act, 1944 contains provisions relating to levy and collection of excise duty. Credit of the duty paid by the manufacturer on the inputs and the capital goods can be availed, and the same can be utilised while paying duty on the final products. The rates of excise duties for various goods, as applicable, are laid down in the Central Excise Tariff Act, 1985.

Value Added Tax

Value Added Tax ("VAT") is a multi-stage levy of tax in the supply chain system. Tax is paid during the purchase of raw materials and goods by a manufacturer and trader respectively. However, tax is levied only on the amount of value addition. Persons liable to pay tax shall get themselves registered and obtain a registration number under the respective State Act. Each State has introduced its own VAT Act.

Sales Tax

When an inter-state sale or purchase takes place, the provisions of the Central Sales Tax Act, 1956 shall apply. Conversely, in case of a sale or purchase within the state which does not contemplate movement of goods outside the state, the local laws of sales tax or VAT shall apply. Every dealer liable to pay tax under the Central Sales Tax Act, 1956 shall be registered by making an application to the appropriate authority in that state.

Income Tax Act, 1961

IT Act is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this act or rules made under it depending upon its "Residential Status" and "Type of Income" involved. Pursuant to Section 139(1) every Company is required to file its income tax return for every previous year by October 31 of the assessment year. Other compliances like those relating to tax deduction at source, fringe benefit tax, advance tax, and minimum alternative tax and the like are also required to be complied by every Company.

INTELLECTUAL PROPERTY LEGISLATIONS

Intellectual property in India enjoys protection under both common law and statute. India provides for the protection for trademark under the Trade Marks Act, 1999 (the "**Trade Marks Act**"). The purpose of the Trademarks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. It prohibits registration of deceptively similar trademarks and provides for penalties for infringement, falsifying and falsely applying trademarks.

In addition to the domestic laws, India is a party to several international intellectual property related instruments including the Patent Co-operation Treaty, 1970, the Paris Convention for the Protection of Industrial Property, 1883, and as a member of the World Trade Organisation, India is a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights, 1995. Our Company's intellectual property rights primarily include patents and trademarks for its various products and process. Our Company spends considerable time and effort on developing new products and relies upon various forms of intellectual property legislation to protect the process as well as the products.

FOREIGN INVESTMENT REGULATIONS

Foreign investment in India is governed by the provisions of the Foreign Exchange and Management Act ("**FEMA**") and the rules, regulations, notifications issued under the same, read with the extant Consolidated Foreign Direct Investment Policy, as issued by the Department of Industrial Policy and Promotion ("**DIPP**"). The Reserve Bank of India ("**RBI**"), in exercise of its powers under FEMA, has notified various regulations governing the purchase, sale, allotment or subscription of securities of an Indian company to a non-resident individual or entity. Pursuant to the aforementioned legal framework, no permission is required for investment in sectors falling under the 'automatic route' within the specified sectoral caps.

MISCELLANEOUS

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes enacted by the Centre or relevant State Governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as 'Shri Chlochem Limited' on August 4, 1993 as a public limited company under Companies Act, 1956 with one of the object of taking over the running unit of M/s. Chlochem Industries, a partnership firm in which the erstwhile promoters of the Company were partners. Our Company was granted certificate of commencement of business dated September 23, 1993. Subsequently, pursuant to a special resolution of the shareholders dated April 28, 2012, the name of our Company was changed to 'Archit Organosys Limited' and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli on May 19, 2012.

Our Company was originally promoted by Mr. Mahesh S. Shah, Mr. Bipin S. Shah and Mr. Harshad R. Shah to carry on the business of manufactures, processors, importer, exporter and dealers in all kinds of organic and inorganic chemicals, dyes and dyes intermediates, paints and alcohol based chemicals. In the year 1994, our Company made initial public offering of 21,00,000 Equity Shares of face value ₹ 10/- each at an issue price of ₹ 10 each and got listed on BSE Limited and Ahmedabad Stock Exchange Limited . Our Company got voluntarily delisted from Ahmedabad Stock Exchange Limited on September 28, 2016. Presently, the Equity Shares of our Company are listed on BSE Limited**.**

On January 28, 2005, our Promoters had entered into a Share Purchase Agreement (SPA) with the erstwhile promoters of our Company for acquisition of up to 23.75% of the then Equity Share capital of the Company. Further to the SPA, our Promoter made an Open Offer under the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, to acquire up to 20% of the Equity Share capital. Pursuant to the Open Offer and the SPA, our Promoters acquired 8.45% and 23.75% of the then Equity Share capital, respectively. After the completion of the Open Offer, Promoters hold 36.01% of the Equity Share capital. For further details, please see chapter entitled '*Capital Structure*' on page 45 of this Draft Letter of Offer.

Due to non-compliance of certain clauses of Listing Agreement, trading of Equity Shares of our Company was suspended by BSE Limited w.e.f. February 17, 2003. Our Company had complied with the process as stated by BSE Limited and had received the revocation of suspension in trading of Equity Shares vide letter no. DCS/COMP/OT/AJ/422/2008-09 dated December 11, 2008. And trading in the Equity Shares of our Company was resumed w.e.f. March 5, 2009.

As on September 30, 2016, the total number of holders of Equity Shares of our Company is 3,279. For further details of our shareholding pattern, please see "*Capital Structure*" on page 45 of this Draft Letter of Offer.

Corporate profile of our Company

For information on our Company's profile, activities, products, market, growth, managerial competence, etc., please see chapter titled *'Industry Overview', 'Our Business', 'Our Management', 'Financial Statements' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations'* on pages 78,85,104, 123 and 155 of this Draft Letter of Offer, respectively.

Change in registered office of the Company

The Registered Office of our Company is presently situated at 25/9/A, Phase-III G.I.D.C, Naroda, Ahmedabad -382330, Gujarat. Since incorporation, there is no change in the registered office of our Company.

Main Objects of the Memorandum of Association of our Company:

The main objects of our Company are:

1. *To acquire and takeover as a going concern, the business of chemical manufacturers and Dealers now carried on at Ahmedabad and elsewhere in India under the name and style of M/s. Chlochem industries situated B/18, Phase ll and plot no. 25/9/A phase lll, GIDC Naroda, Ahmedabad -382330 and all or any of the assets and liabilities of that business on such terms and conditions as may be mutually agreed upon*.

2. *To carry on the business of manufacturers, processors, importers, exporters, agents, consignors, consignees, brokers, factors stockiest and dealers in all kinds of organic and inorganic chemicals, dyes and dyes intermediates, intermediates, paints, varnishes, essences, petroleum products, petro-chemical, solvents and alcohol based chemicals*.

Amendments to the Memorandum of Association

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

Date of Shareholders' Resolution	Nature of Amendments
February 11,1994	**Change in Clause V** *"The authorized share capital of the Company was increased from ₹ 5,00,000 divided into 50,000 Equity Shares of ₹ 10 each to ₹ 1,30,00,000 divided into 13,00,000 Equity Shares of ₹ 10 each."*
May 11, 1994	**Change in Clause V** *"The authorized share capital of the Company was increased from ₹ 1,30,00,000 divided into 13,00,000 Equity Shares of ₹ 10 each to ₹ 3,30,00,000 divided into 33,00,000 Equity Shares of ₹ 10 each."*
April 28, 2012	**Change in Clause I** *"Change of name of the Company from Shri Chlochem Limited to Archit Organosys Limited."*
Feb 18 ,2016	**Change in Clause V** *"The authorized share capital of the Company was increased from ₹ 3,30,00,000 divided into 33,00,000 Equity Shares of ₹ 10 each to ₹ 10,00,00,000 divided into 1,00,00,000 Equity Shares of ₹ 10 each."*
Aug 16,2016	**Change in Clause V** *"The authorized share capital of the Company was increased from ₹ 10,00,00,000 divided into ₹ 1,00,00,000 Equity Shares of ₹ 10 each to ₹ 25,00,00,000 divided into 2,50,00,000 Equity Shares of ₹ 10 each"*

Major Events in the history of our Company

The table below sets forth some of the key events, milestones and achievements since inception:

Year	Events
1993	Our Company was incorporated in the name of 'Shri Chlochem Limited'
1993	Our Company acquired running business of a partnership firm, 'M/s Chlochem Industries'
1994	Our Company made an initial public offering of 21,00,000 Equity Shares of face value ₹ 10/- each at an issue price of ₹ 10 each and got listed on BSE Limited and Ahmedabad Stock Exchange Limited
2005	Change in control of the management of the Company through Open Offer.
2012	Change of name of our Company from 'Shri Chlochem Limited' to 'Archit Organosys Limited'.
2014	Certified as an ISO 9001:2008 company for manufacture and sale of chemicals like MCA and SMCA
2014	Purchase of land at Block/ Survey No. 228/1A/paiki 77/paiki 2, Narmad Village, Bhavnagar, Gujarat and commencing the setting up of MCA, SMCA, CAC Project (Project – I) and PAC Project (Project – II)
2015	Awarded Certificate for Expressed interest for investment in Gujarat in chemicals & petrochemicals - at Vibrant Gujarat 2015.
2016	Our Company got voluntary delisted from The Ahmedabad Stock Exchange Limited.

Issuance of Equity or Debt

Other than information as disclosed in '*Capital Structure*' on page 45 of this Draft Letter of Offer, our Company has not issued any capital in the form of equity or debt. 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 for Issue Price*' on pages 85, 155 and 67 of this Draft Letter of Offer, respectively.

Overrunning time and cost in setting up project

Since the acquisition of our Company by the Promoters, there have been no time and cost overruns in relation to the development or implementation in any project.

Defaults or rescheduling of borrowings of our Company with financial institutions

There are no defaults or rescheduling of borrowings with financial institutions or banks or conversion of loans into equity in relation to our Company.

Lock-out or strikes

Since inception, there have been no lock-outs and strikes.

Awards, Achievements and Accolades

Our Company has not received any awards, achievements and accolades.

Changes in the activities of our Company during the last five years

There is no change in the activity of our company during the last five years.

Injunction or Restraining Order

As on the date of this Draft Letter of Offer, there are no injunctions or restraining orders against our Company.

Holding Company

As on the date of this Draft Letter of Offer, our Company does not have a holding company.

Subsidiaries

As on the date of this Draft Letter of Offer, our Company does not have any subsidiaries.

Business Acquisition, Mergers and Amalgamations

There have been no business acquisition, merger and amalgamation made by our Company during the last 5 years,

Revaluation of assets

Our Company has not revalued its assets since incorporation and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

Shareholders and other Material Agreements

Except as disclosed below, there are no other material agreements, apart from those entered into in the ordinary course of business carried on or intended to be carried on by us:

1. ***Share Purchase Agreement dated January 28, 2005 between promoters & shareholders ("Seller") of Our Company and Mr. Kandarp Amin, Ms. Archana Amin & Mr. Archit Kandarp Amin("Buyer").***

On January 28, 2005, Mr. Kandarp Amin, Ms. Archana Amin & Mr. Archit Kandarp Amin entered into a Share Purchase Agreement with erstwhile promoters of our Company to acquire 7,24,375 Equity Shares of the Company representing 23.75% of the then Equity Share capital of the Company for total consideration of ₹ 21,73,125 subject to receipt of approval from SEBI and other terms and conditions.

Deed of Guarantees

In accordance with the provisions of the loan agreement entered into between the Company and Union Bank of India, our Promoters, Mr. Kandarp Amin and Ms. Archana Amin, have offered into personal guarantee in favour of Bank. For details in relation to the guarantees issued by our Company, please see the chapter title *'Financial Indebtedness'* beginning on page 161 of the Draft Letter of Offer.

Strategic Partners

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

Financial Partners

As on the date of this Draft Letter of Offer, apart from the arrangements with bankers and lenders which our Company undertakes in the ordinary course of business, our Company does not have any other financial partners.

OUR MANAGEMENT

Board of Directors

As per the AOA of our Company, we shall not have less than 3 (three) and more than 15 (fifteen) Directors on our Board of Directors. The following table sets forth certain details regarding the Board of Directors as on date of this Draft Letter of Offer:

Sl. No.	Name, Address, Occupation, DIN, Term and Nationality	Age (in years)	Other Directorship
1.	**Mr. Kandarp Krishnakant Amin**[#] **Address:** Bungalow No.387, Lane No.17, Satyagrah Chhavani Soc, Satellite Road, Ahmedabad, Gujarat – 380 015 **Designation:** Chairman & Whole-time Director (Executive Director) **Occupation:** Business **DIN:** 00038972 **Date of appointment**: January 22, 2000 **Term:** For a period of 3 years from April 1, 2014 to March 31, 2017 **Nationality:** Indian	59	1. Rajpath Club Limited
2.	**Ms. Archana Kandarp Amin**[#] **Address:** Bungalow No.387, Lane No.17, Satyagrah Chhavani Soc, Satellite Road, Ahmedabad, Gujarat – 380 015 **Designation:** Whole-time Director (Executive) **Occupation:** Business **DIN:** 00038985 **Date of appointment:** September 30, 1999 **Term: for a period of** 3 years from April 1, 2014 to March 31, 2017 **Nationality:** Indian	56	1. Adonis Lifecare Private Limited
3.	**Mr. Bhupendra Vishnuprasad Mehta** **Address:** 201, Rushobh, 90, Bhaikaka Nagar, Thaltej, Ahmedabad, Gujarat – 380054 **Designation:** Independent Director (Non-Executive) **Occupation:** Business	59	-

	DIN: 00133677 **Date of appointment:** April 01, 2004 **Term:** For a period of 5 years from April 1, 2014 to March 31, 2019 **Nationality:** Indian		
4.	**Mr. Haresh Kanaiyalal Shah** **Address:** 29, Pavansut Society, B/H Gyanda Society, Jivraj Park, Ahmedabad, Gujarat - 380051 **Designation:** Independent Director (Non-Executive) **Occupation:** Business **DIN:** 00133704 **Date of appointment:** April 01, 2004 **Term:** For a period of 5 years from April 1, 2014 to March 31, 2019 **Nationality:** Indian	56	-
5.	**Mr. Rajendraprasad J. Shah** **Address:** A-104, Saraswat Apt, Hirabaug Ambawadi Bazar, Ellisbridge, Ahmedabad – 380006, Gujarat **Designation:** Independent Director (Non-Executive) **Occupation:** Business **DIN:** 01982424 **Date of appointment:** July 15, 2016 **Term:** For a period of 5 years from July 15, 2016 to July 14, 2021. **Nationality:** Indian	66	1. CIL Nova Petrochemicals Limited 2. Bhagwati Autocast Limited 3. Kutch Water Distribution Company Limited 4. SME Mavens Foundation

[#]*Mr. Kandarp Amin and Ms. Archana Amin are liable to retire by rotation.*

Confirmations

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

None of the Directors is or was a director of any listed company, which has been or was delisted from any recognized stock exchange(s) in India during the term of their directorship in such company.

Relationship between Directors

Except stated below, none of our directors are related to each other

Sl. No.	Name of Director	Designation	Relationship with other Directors
1.	Mr. Kandarp Amin	Chairman & Whole time Director	Spouse of Ms. Archana Amin
2.	Ms. Archana Amin	Whole time Director	Spouse of Mr. Kandarp Amin

Brief Profiles of Directors

Mr. Kandarp Amin, aged 59 years, is Promoter, Chairman and Whole time Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He has experience of about 35 years in chemicals trading business and 20 years in manufacturing of chemicals. He is associated as Director with our Company since January 22, 2000.

Ms. Archana Amin, aged 56 years, is a Promoter and Whole time Director of our Company. She holds Bachelor's degree in Science (Chemistry) from University of Bombay. She has experience of about 12 years in Procurement Export Business and Production planning. She is associated with our Company as a Director since September 30, 1999.

Mr. Bhupendra Vishnuprasad Mehta, aged 59 years, is an Independent Director of our Company. He holds Bachelor's degree in Science from University of Bombay. He has experience of about 35 years in Chemical Industry. He is associated with our Company as a Director since April 01, 2004.

Mr. Haresh Kanaiyalal Shah, aged 56 years, is an Independent Director of our Company. He holds Bachelor's degree in Commerce from South Gujarat University. He has experience of about 10 years in different industries including Chemical Industries. He is associated with our Company as a Director since April 01, 2004.

Mr. Rajendraprasad J. Shah, aged 66 years, is an Independent Director of our Company. He holds master degree in Production engineering with post-graduation diploma in Industrial Engineering & Management. He is having the rich experience of 42 years in the field of preparing industry policies, carrying activities like investment promotion, counseling with entrepreneurs, monitoring the research & development work of large projects, production planning, material management etc. He is associated with our Company as a Director since July 15, 2016.

Details of any arrangement or understanding with major shareholders, customers, suppliers or others

Our Company has not entered into any arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned Directors have been appointed in the Board.

Details of Service Contracts for providing benefits upon termination

Our Company has not entered into any service contracts with the present Board of Directors for providing benefits upon termination of employment.

Borrowing Powers of the Board

Pursuant to the resolution passed by the shareholders at the Annual General Meeting of the Company held on September 29, 2014 and in accordance with the provisions of the Companies Act and rules made thereunder, our Board has been authorised to borrow money in excess of the aggregate of the paid up share capital and free reserves of our Company, which may at any time, not exceed ₹10,000 Lakhs.

Payment or benefit to Directors of our Company

Except as disclosed in the "*Restated Statement of Related Parties*" in "*Financial Statements*" beginning on page 123 of this Draft Letter of Offer, no amount or benefit has been paid or given within the two preceding years or is

intended to be paid or given to any of our officers except the normal remuneration for services rendered as directors, officers or employees.

Remuneration to Executive and Non-Executive Directors

Executive Directors

The remuneration paid to our executive Directors for fiscal 2016 is given below:

(₹ in Lacs)

Name	Salary	Commission	Perquisites	Total
Mr. Kandarap Amin	16.20	0.00	0.00	16.20
Ms. Archana Amin	18.00	0.00	0.00	18.00
Total	**34.20**	0.00	0.00	**34.20**

Non-Executive Directors

Our Company does not pay any sitting fees to the Non-executive Directors for the meetings of our Board of Directors and committees. Therefore, our Company has not paid any sitting fees to the current Non-Executive Directors for the fiscal 2016.

Shareholding of Directors in our Company

As on the quarter ending September 2016, the directors holding equity shares of our Company are as under:

Sr. No.	Name of the Director	Shares held	Shareholding percentage
1.	Mr. Kandarp Amin	7,14,360	14.23%
2.	Ms. Archana Amin	5,97,296	11.90%
3.	Mr. Bhupendra Vishnuprasad Mehta	100	0.00%
4.	Mr. Haresh Kanaiyalal Shah	100	0.00%

Interest of the Directors

Except as stated in the section titled "*Restated Statement of Related Parties*" under the chapter "*Financial Information*" beginning on page 123 of this Draft Letter of Offer and described herein to the extent of shareholding in our Company, if any, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by us or proposed to be acquired by us within two years of the date of the Draft Letter of Offer.

No loans have been availed by our Directors from our Company.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors, except the normal remuneration for services rendered as Directors.

Except as stated in the chapter entitled '*Our Promoter and Promoter Group*', none of our Directors have any interest in the promotion of our Company, other than in the ordinary course of business.

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them. All of our Directors may also be deemed to be interested to the extent of any distributions in respect of the Equity Shares held by them.

Except for Mr. Kandarp Amin and Ms. Archana Amin, none of our Directors hold directorship/interest in partnership firm in our Group Entity.

Our Directors are not interested in the appointment of or acting as Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

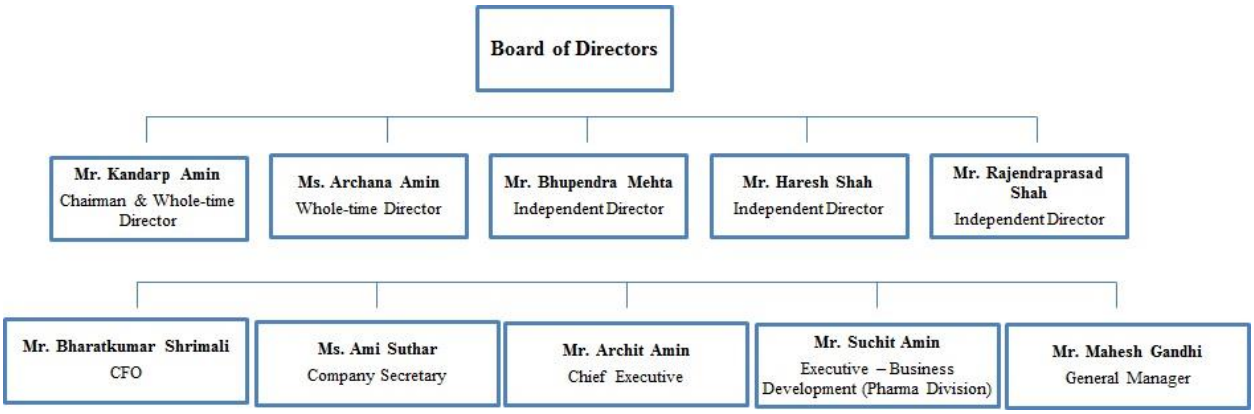
Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company, pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board of Directors in the last three years

There has been no change in the Board of Directors, except as stated below during the last three years:

Sl. No.	Name of the Director	Date of Appointment	Date of Cessation	Designation	Reason
1.	Mr. Sanjay Kothari	April 1, 2011	August 29, 2015	Director	Resignation
2.	Mr. Rajendraprasad J. Shah	July 15, 2016	-	Director	Appointment
3.	Mr. Dipesh Kamleshkumar Kotak	March 16, 2009	October 1, 2016	Director	Resignation

Management Organisation Structure



Corporate Governance

We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including constitution of our Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of our Board's supervisory role from the executive management team and constitution of our Board committees, as required under law.

The constitution of our Board is in compliance with the Companies Act and the SEBI Listing Regulations with the Stock Exchange and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board of Directors detailed reports on its performance periodically.

Currently, our Board has 5 (five) Directors. In compliance with the requirements of Regulation 17 of the SEBI Listing Regulations, we have 2 Executive Director and 3 Non-Executive Directors. Our Board comprises 3 Independent Directors and one of our Executive Director is a woman Director.

Committee of the Board of Directors

Our Board of Directors presently has 4 (four) committees which have been constituted in accordance with the relevant provisions of the Companies Act and SEBI Listing Regulations: (i) Audit Committee, (ii) Nomination and Remuneration Committee, (iii) Stakeholder's Relationship Committee; and (iv) Risk Management Committee

Audit Committee

The Audit Committee was constituted at its board meeting held on April 4, 2002 and re-constituted on October 1, 2016 which comprises of the following members:

Sl. No.	Name of the Member	Designation in the Committee
1.	Mr. Haresh K. Shah	Chairman
2.	Mr. Bhupendra V. Mehta	Member
3.	Mr. Rajendraprasad J. Shah	Member

The terms of reference of the Audit Committee are broadly as follows:

(1) The recommendation for appointment, remuneration and terms of appointment of auditors of the company;
(2) Review and monitor the auditors independence and performance, and effectiveness of audit process;
(3) Examination of the financial statement and the auditors' report thereon;
(4) Approval or any subsequent modification of transactions of the company with related parties;
(5) Scrutiny of inter-corporate loans and investments;
(6) Valuation of undertakings or assets of the company, wherever it is necessary;
(7) Evaluation of internal financial controls and risk management systems;
(8) Monitoring the end use of funds raised through public offers and related matters;
(9) To oversee the Company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, adequate and credible;
(10) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
(11) To review the quarterly (un-audited) and annual financial statements before the same are submitted to the Board;
(12) To review with the management, the statement of uses, application of funds raised through an issue, 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;
(13) The Committee periodically reviews with the management, external and internal auditors, the adequacy of internal control systems;
(14) To review the adequacy of internal audit function, 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;
(15) Discussion with internal auditors of any significant findings and follow up there on;
(16) To review 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;
(17) Discussion with statutory auditors before the statutory audit commences on the nature and scope of audit and after the audit ascertains from them any area of concern;
(18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders and creditors;
(19) To review the functioning of the Whistle Blower mechanism;
(20) Approval of appointment of CFO after assessing the qualifications, experience and background, etc of the candidate;
(21) To carry out any other function as is mentioned in the terms of reference of the Audit Committee

Nomination and Remuneration Committee

The Remuneration Committee was constituted on April 1, 2004, re-named as Nomination and Remuneration Committee on May 28, 2014 and re-constituted on October 1, 2016 which comprises of the following members:

Sl. No.	Name of the Member	Designation in the Committee
1.	Mr. Haresh K. Shah	Chairman
2.	Mr. Bhupendra V. Mehta	Member
3.	Mr. Rajendraprasad J. Shah	Member

Brief description of Terms of Reference is as under:

(1) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down;
(2) To recommend to the Board their appointment and removal and shall carry out evaluation of directors performance;
(3) To formulate the criteria for determining qualifications, positive attributes and independence of a director;
(4) To recommend to the Board, a policy relating to the remuneration for the directors, Key Managerial Personnel and other employees.

Stakeholder's Relationship Committee

The Shareholder's Grievance Committee was constituted at its board meeting held on June 28, 1994, re-constituted on January 3, 2009 re-named as Stakeholder's Relationship Committee on May 28, 2014 and which comprises of the following members:

Sl. No.	Name of the Member	Designation in the Committee
1.	Mr. Bhupendra V. Mehta	Chairman
2.	Mr. Kandarp Amin	Member
3.	Mr. Haresh K. Shah	Member

The scope of the committee is set out below:

To consider and resolve investor / shareholders grievances, investor complaints, approves transfer and transmission of shares; authorizes issue of duplicate share certificates and generally deals with all matters in connection with shares issued by the Company from time to time.

Risk Management Committee

As per Regulation 21 SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, the company is under no obligation to constitute the Risk Management Committee as it is not amongst the top 100 listed entities, determined on the basis of market capitalisation, as at the end of the immediate previous financial year.

However, the Board of Directors has framed, approved and implemented risk management policy of the company including identification and element of risk. The Risk Management Committee was constituted at its board meeting held on November 14, 2014 which comprises of the following members:

Sl. No.	Name of the Member	Designation in the Committee
1.	Mr. Kandarp Amin	Chairman
2.	Ms. Archana Amin	Member
3.	Mr. Bhupendra V. Mehta	Member

Brief description of Terms of Reference:
(1) To consider, review and recommend the Risk Management Policy, guidelines, processes and practices of the Company.
(2) To ensure that the Company is taking the appropriate measures to achieve balance between the risk and reward in ongoing and new business activities.
(3) To evaluate significant risk exposures of the Company and assess management's actions to mitigate the exposures in a timely manner.
(4) To adopt best method in the interest of the Company to deal with different kinds of risks being confronted by the Company.

Corporate Social Responsibility Committee

Our Company does not fall under the criteria mentioned in the provision of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, so constitution of CSR Committee is not applicable.

Key Management Personnel

The details of the Key Management Personnel of our Company are as follows:

Mr. Kandarp Amin – Whole time Director, aged 59 years, is Promoter, Chairman & Whole time Director of our Company. He holds a Bachelor's degree in Commerce from Gujarat University. He has experience of about 35 years in chemicals and trading business and 20 years in manufacturing of chemicals. He is responsible for oversee the day to day affairs of our Company inter-alia include finance, legal and marketing areas of the Company. He is associated with our Company as a Director since January 22, 2000. For Fiscal 2016, he was paid a gross compensation of ₹ 16,20,000.

Mr. Bharatkumar Motibhai Shrimali,, aged 35 years, is the Chief Financial Officer of our Company. He is a holding Bachelors' degree in Commerce and Bachelors' degree in Law. He has experience of about 10 years in accounting and taxation field. He is associated with our Company since October 1, 2016.

Ms. Ami Suthar, aged 26 years, is the Company Secretary and Compliance Officer of our Company. She is a member of the Institute of Company Secretaries of India and has been associated with our Company since October 1, 2016. She has over 2 years of experience in the field of secretarial and legal compliances.

All the Key Managerial Personnel mentioned above are permanent employees of our Company.

Nature of any family relation between any of the Key Managerial Personnel

None of the Key Managerial Personnel are in any way related to each other.

Arrangement or Understanding with Major Shareholders, customers, suppliers or others

There is no arrangement or understanding with major Shareholders, customers, suppliers or others, pursuant to which any of the above mentioned Key Managerial Personnel was selected as member of senior management.

Bonus or profit sharing plan for Key Managerial Personnel

Our Company does not have a performance linked bonus or profit sharing plan for the Key Managerial Personnel as on date of this Draft Letter of Offer.

Shareholding of the Key Managerial Personnel

Except Mr. Kandarp Amin, who holds 7,14,360 shares, none of the Key Managerial Personnel hold Equity, Shares of our Company as on September 30, 2016.

Changes in Key Managerial Personnel

Except as mentioned below, there has been no change in Key Managerial Personnel during the last three years.

Name of Employee	Designation	Date of change	Reason
Mr. Ajay P. Patel	Chief Financial Officer	August 14, 2014	Appointment
Ms. Neeti Patel	Company Secretary	August 1, 2015	Appointment
Ms. Neeti Patel	Company Secretary	August 13, 2016	Resignation
Ms. Ami Suthar	Company Secretary	October 1, 2016	Appointment
Mr. Ajay P. Patel	Chief Financial Officer	October 1, 2016	Resignation
Mr. Bharatkumar Motibhai Shrimali	Chief Financial Officer	October 1, 2016	Appointment

Interest of Key Managerial Personnel

The Key Managerial Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration, their shareholding in the Company or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

Loans taken by Directors / Key Managerial Personnel

None of the Directors / Key Managerial Personnel has taken loan from our Company.

Employees' Stock Option Plan

As on date of this Draft Letter of Offer, our Company has not implemented any employee's stock option scheme.

Payment or Benefits to Officers of our Company

Except as disclosed in this Draft Letter of Offer, other than statutory payments and remuneration, in the last two years our Company has not paid or intended to pay any non-salary amount or benefit to any of its officers.

OUR PROMOTER AND PROMOTER GROUP

The Promoters of our Company are Mr. Kandarp Amin, Ms. Archana Amin and Mr. Archit Kandarp Amin

Mr. Kandarp Amin

Mr. Kandarp Amin is the Promoter of our Company. He currently holds 7,14,360 Equity Shares constituting 14.23% of the pre-issue issued, subscribed and paid-up Equity Share capital of our Company. For details of the build – up of our Promoter's shareholding in our Company; please see section titled "*Capital Structure*" on page 45 of this Draft Letter of Offer.



Mr. Kandarp Amin, aged 59 years, is the executive Director and Promoter of our Company.

Driving License No.	GJ01 19760242146
Voter Identification number	LPZ9175027
Address:	Bungalow No. 387, Lane No.17, Satyagrah Chhavani Society, Satellite Road, Ahmedabad, Gujarat – 380 015

For further details, please refer to the chapter titled "*Our Management*" on page 104 of this Draft Letter of Offer.

Ms. Archana Amin

Ms. Archana Amin is the Promoter of our Company. She currently holds 5,97,296 Equity Shares constituting 11.90% of the pre-issue issued, subscribed and paid-up Equity Share capital of our Company. For details of the build – up of our Promoter's shareholding in our Company; please see section titled "*Capital Structure*" on page 45 of this Draft Letter of Offer.



Ms. Archana Amin, aged 56 years, is the executive Director and Promoter of our Company.

Driving License No.	GJ01 20060085363
Voter Identification number	LPZ9175035
Address:	Bunglow No. 387, Lane No.17, Satyagrah Chhavani Society, Satellite Road, Ahmedabad, Gujarat – 380 015

For further details, please refer to the chapter titled "*Our Management*" on page 104 of this Draft Letter of Offer.

Mr. Archit Kandarp Amin

Mr. Archit Kandarp Amin is the Promoter of our Company. He holds a Bachelor Degree in Engineering from Gujarat University and Masters of Science in Engineering from the Universitas of Pennsylvania, USA. He is associated with our Company since 8 years. He currently holds 46,400 Equity Shares constituting 0.92% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build – up of our Promoter's shareholding in our Company; please see section titled "Capital Structure" on page 45 of this Draft Letter of Offer.



Mr. Archit Kandarp Amin, aged 32 years, is the Promoter of our Company.

Driving License No.	GJ01/028795/03
Voter Identification number	LPZ9175043
Residential Address:	Bungalow No. 387, Lane No.17, Satyagrah Chhavani Society, Satellite Road, Ahmedabad, Gujarat – 380 015
Other Directorship	Nil

Other undertakings and confirmations

Our Company confirms that the PAN, bank account numbers and passport number of our Promoters shall be submitted to BSE at the time of filing of this Draft Letter of Offer with BSE Limited.

Our Promoters and Promoter Group confirm that they have not been declared as wilful defaulters by RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of our Promoters, Promoter Group have been (i) prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. Our Promoters are not and have never 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 SEBI.

Changes in the management and control of our Company

Our Company was incorporated on August 04, 1993 and was originally promoted by Mr. Mahesh S. Shah, Mr. Bipin S. Shah, Mr. Harshad R. Shah. In May 2005, the present Promoters of our Company namely Mr. Kandarp Amin, Ms. Archana Amin and Mr. Archit Amin acquired control of our Company pursuant to the terms of Regulation 10 and 12 of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997by way of Open Offer from the erstwhile promoters of our Company pursuant to the terms of the Share Purchase Agreement dated January 28, 2005. Our Promoters acquired 8.51% and 23.75% of the then Equity Share capital, respectively. After the completion of the Open Offer, Promoters hold 36.01% of the Equity Share capital.

Experience of our Promoter in the business of our Company

Our Promoters, Mr. Kandarp Amin has an experience of about 35 years in chemicals and trading business and 20 years in manufacturing of chemicals and has been associated with our Company since January 22, 2000. Ms. Archana Amin has an experience of about 12 years in the chemical industry and has been associated with our Company since September 30, 1999. Mr. Archit Kandarp Amin has an experience of about 8 years in the chemical industry and has been associated with our Company since April 1, 2008.

Interest of our Promoters in our Company other than as Promoters

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of their shareholding, for which they are entitled to receive the dividend declared and other distributions in respect of their shareholding in the Company.

Mr. Kandarp Amin and Ms. Archana Amin are the Executive Directors of our Company and as per the terms of the their appointment vide resolution passed in the Annual General meeting held on September 29, 2014, they are entitled to receive remuneration for their term as the Executive Directors of our Company and were paid a total remuneration of ₹16,20,000 and ₹18,00,000 respectively for the Fiscal 2016. Please refer to the chapter titled "*Our Management*" on page 104 for details on remuneration received by him during Fiscal 2016.

Except as stated in the section titled "*Financial Information*" beginning on page 123, we have not entered into any contract, agreements or arrangements during the preceding 2 years from the date of this Draft Letter of Offer in which our Promoters are directly or indirectly interested and no payments have been made to him in respect of these contracts, agreements or arrangements which are proposed to be made to him including the properties purchased by our Company other than in the normal course of business.

None of Our Promoters and their immediate relatives have given any loans to our Company, secured or unsecured, except the unsecured loans availed from Mr. Kandarp Amin, Promoter, Ms. Archana Amin, Promoter and Krishna Orgochem, Group entity as stated in the section titled "*Financial Indebtedness*" beginning on page 161 of Draft Letter of Offer.

Interest in the Property of our Company

Our Company has entered into the Indenture of Lease dated April 1, 2010 for a period of ten years with Mr. Kandarp Amin, our Promoter for the property situated at 403, 4th Floor, Smit Complex, Opp. Ganesh Plaza, Behind Navrangpura, Ahmedabad 380009 as Corporate Office of our Company. In terms of the said agreement, our Company is required to pay ₹ 15,000/- per month and 15% rent enhancement on every year on monthly rental amount to Mr. Kandarp Amin.

Our Company has entered into a Indenture of Lease dated April 1, 2010 for a period of ten years with Ms. Archana Amin, our Promoter for the property situated at 402, 4th Floor, Smit Complex, Opp. Ganesh Plaza, Behind Navrangpura, Ahmedabad 380009 as Corporate Office of our Company. In terms of the said agreement, our Company is required to pay ₹ 70, 000/- per month and 15% rent enhancement on every year on monthly rental amount to Ms. Archana Amin.

Our Company has entered into Indenture of Lease dated April 1, 2010 for a period of ten years with Mr. Kandarp Amin, our Promoter for the godown 958 sq. ft. situated at at Piplaj, Dist. Ahmedabad as godown of our Company. In terms of the said agreement, our Company is required to pay ₹ 50,000/- per month and 15% rent enhancement on every year on monthly rental amount to Mr. Kandarp Amin.

Except as disclosed above our Promoters do not have any interest in any property acquired by or proposed to be acquired by our Company within 2 years preceding the date of this Draft Letter of Offer or proposed to be acquired or in any transaction by our Company for acquisition of land, construction of building or supply of machinery by our Company.

Relationship of our Promoters with our Directors and our Key Managerial Personnel

Except as stated below, none of our Directors or Key Managerial Personnel's and Promoter are related to each other:

Name	Designation	Relationship amongst Promoter
Mr. Kandarp Amin	Promoter cum Executive Director	Spouse of Ms. Archana Amin and Father of Mr. Archit Kandarp Amin
Ms. Archana Amin	Promoter cum Executive Director	Spouse of Mr. Kandarp Amin and Mother of Mr. Archit Kandarp Amin
Mr. Archit Kandarp Amin	Promoter, Chief Executive	Son of Mr. Kandarp Amin and Ms.Archana Amin

Companies / Firms from which our Promoters have disassociated themselves in last 3 years

Our Promoters have not disassociated themselves from any of the companies, firms or other entities during the last 3 years preceding the date of this Draft Letter of Offer except Mr. Kandarp Amin disassociated from SD Agroorgnaics i.e. Group entity of our Company with effect from May 31, 2016.

Common Pursuits

There are no common pursuits between our Company and our Promoters and Group Entities as disclosed in the chapter titled "*Our Group Entities*" on page 116.

Related Party Transactions

For details on our related party transactions refer the paragraph titled *"Restated Statement of Related Parties"* in the section titled *"Financial Information"* beginning on page 123 of Draft Letter of Offer.

Payment or benefit to promoters of the issuer:

Except as disclosed in this Draft Letter of Offer, no amount or benefit paid or given within the two years preceding the date of filing Draft Letter of Offer with the Board or intended to be paid or given to any promoter or promoter group and consideration for payment of giving of the benefit.

Our Promoter Group

Our Promoter Group shall comprise of persons and entities forming part of our Promoter Group in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations and persons and entities as disclosed to BSE under Regulation 31 filing made by our Company under the Listing Regulations.

OUR GROUP ENTITIES

Unless otherwise specified, all information in this section is as of the date of this Draft Letter of Offer.

As per the requirements of SEBI ICDR Regulations, for the purpose of identification of 'group entities', our Company considered companies or entities as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) on a consolidated basis, or other companies or entities as considered material by our Board. Pursuant to the policy approved in the meeting of the Board of Director of the Company held on October 14, 2016, the Group Entities shall be considered to be material if such entities as covered under the applicable accounting standards (i.e. Accounting Standard 18 issued by the Institute of Chartered Accountants of India) and such entities in which the Promoters of Archit Organosys Limited i.e. Mr. Kandarp Amin, Mr. Archana Amin and Mr. Archit Kandarp Amin holds more than twenty per cent of issued, subscribed and paid up share capital or voting rights of such entities.

The companies, firms and other ventures, other than our Subsidiary, which form part of our Group Entities, are as follows:

Sl. No.	Name of Group Entities
I.	**Company**
1.	Adonis Lifecare Private Limited
II.	**Partnership firm**
1.	Archit Advance Materials
2.	Kalindi Industries
3.	Kalindi Impex
III.	**Proprietorship concern**
1.	Krishna Orgochem
2.	S D Organosys
IV.	**HUF**
1.	Kandarp Krishnakant Amin HUF
2.	Archit Kandarp Amin HUF
3.	Suchit Kandarp Amin HUF

I. Company

Adonis Lifecare Private Limited ("ALPL")

Corporate Information

ALPL was originally incorporated as on March 9, 1990 as "*Archit Polymers Private Limited"* as a private limited company Under the provisions of the Companies Act 1956 and registered with the ROC, subsequently the name of the company was changed to "*Adonis Lifecare Private Limited"* on June 22, 2012. The CIN of ALPL is U24232GJ1990PTC013479. The registered office of ALPL is situated at 4, Smit Building, 4th Floor B/H Navrangpura, Ahmedabad -380009, Gujarat .

The main object of ALPL to carry on the business of manufacturers, producers, processors, developers, formulates, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indentures, packers, movers, preservers, stockiest, agents, sub-agents, merchants, distributors, dealers, consignors, consultants, liasioner, jobworker, brokers, concessaionaires or otherwise deal in all kinds, specification, strengths of pharmaceuticals, Bulk drugs, vaccines, diagnostic agents, surgical & non-surgical articles, tonics, tablets, powders, Drugs intermediates, formulations, solvents, catalyst and medical gases, healthcare products and wellness products.

Board of Directors

The board of directors of ALPL comprises of:

Sl. No.	Name	Designation
1.	Ms. Archana Amin	Director
2.	Mr. Archit Kandarp Amin	Director
3.	Mr. Suchit Kandarp Amin	Director

Capital Structure

Particulars	Amount (in ₹)
Authorised capital	50,00,000
Issued, subscribed and paid-up capital	50,00,000

Shareholding Pattern

The shareholding pattern of ALPL is as follows:

Sl. No.	Name of the Shareholder	Number of equity shares of ₹10 each	Percentage of total equity holding (%)
1.	Ms. Archana Amin	3,00,000	60.00
2.	Mr. Archit Kandarp Amin	1,00,000	20.00
3.	Mr. Suchit Kandarp Amin	1,00,000	20.00
	Total	**5,00,000**	**100.00**

Financial information

The financial information derived from the audited financial results of ALPL for the financial years ended March 31, 2015, 2014 and 2013 are set forth below:

(₹ In Lakhs)

Particulars	For the years ended#		
	March 31, 2015	**March 31, 2014**	**March 31, 2013**
Equity capital (par value ₹10 per share)	50.00	50.00	50.00
Reserves and Surplus	(10.77)	41.06	40.31
Revenue	144.21	17.68	19.24
Profit/(Loss) after tax	(51.42)	0.75	0.76
Earnings per share – Basic/Diluted (in ₹)	(10.28)	0.15	0.15
Net Asset Value per equity share (in ₹)	7.85	18.21	18.06

 # financial statements for FY 2015-16 of ALPL have not been finalised as on the date of this Draft Letter of Offer.

Significant Notes of auditors for the last three fiscals

FY 2014-15

Qualified Opinion of the Auditor – "Adhering to significant accounting policy, the company is accounting for Gratuity on cash basis. This is not in accordance with Accounting Standard 1 'Disclosure of Accounting Policies' and Accounting Standard – 15 (Revised) 'Employee Benefits' prescribed by The Institute of Chartered Accountants of India. The extent of non-compliance in terms of value is not ascertainable.

FY 2013-14 and FY 2012-13

There are no significant notes of Auditors in respect of financial results for FY 2013-14 and 2012-13.

Interest of our Promoter

Our Promoters and member of Promoter Group, Ms. Archana Amin, Mr. Archit Kandarp Amin and Mr. Suchit Kandarp Amin holds 3,00,000, 1,00,000 and 1,00,000 equity shares respectively, which constitute 100% of the issued and paid up equity share capital of ALPL.

II. Partnership firm

1. Archit Advance Materials

General Information

M/s. Archit Advance Materials is a partnership firm which established and commenced business *vide* Partnership Deed dated June 15, 2015 and is *interalia* engaged in the business of manufacturing and trading activity of Chemicals items including Carbon related materials, chemicals organic/inorganic, Agriculture Products, Construction Chemical and other items as mutually agreed by the partners.

Mr. Kandarp Amin (representing Mr. Kandarp Krishnakant Amin HUF), Mr. Kandarp Amin, Mr. Archit Kandarp Amin and Mr. Suchit Kandarp Amin are partners of M/s. Archit Advanced Materials with effect from June 15, 2015. The principal place of business is located at 5th floor, Smit Complex, B/H Navrangpura Post Office, Navrangpura, Ahmedabad -380009, Gujarat, India.

Interest of our Promoter

Our Promoters and members of Promoter Group, Mr. Kandarp Amin, Mr. Archit Kandarp Amin Mr. Suchit Kandarp Amin and Mr. Kandarp Krishnakant Amin HUF, holds 25% each stake in M/s. Archit Advance Materials.

2. Kalindi Industries

General Information

M/s. Kalindi Industries is partnership firms which established and commenced business *vide* Partnership Deed dated June 28, 2007 and is *interalia* engaged in the business of manufacturing and trading of pigments and chemicals and any other business or businesses which the partners may decide from time to time.

Initially Ms. Archana Amin, Mr. Archit Kandarp Amin and Mr. Rakesh R. Patel were partners of M/s. Kalindi Industries. Further, Mr. Rakesh R. Patel retired as partners *vide* Retirement Deed dated October 13, 2011. Presently, Ms. Archana Amin and Mr. Archit Kandarp Amin are the partners of M/s. Kalindi Industries. The office is located at 1/193, Phase – II, GIDC, Vatva, Ahmedabad, Gujarat, India.

Interest of our Promoter

Our Promoters, Ms. Archana Amin and Mr. Archit Kandarp Amin holds 75% and 25% stake respectively in M/s. Kalindi Industries.

3. Kalindi Impex

General Information

M/s Kalindi Impex is a partnership firm which established and commenced business *vide* Partnership Deed dated August 22, 2014 and is *interalia* engaged in the business of Hair Saloon, Beauty Spa, Cosmetics Trading, Garment Business Import and Export, Accessories Business, Gift Article, Furniture Business, Packing Materials, and relating thereto. The principal place of business of M/s. Kalindi Impex is located at 2nd Floor, Mondeal Business Square, Unita A, Near Gurudwara, Bodakdev, S. G. Road, Ahmedabad-380059.

Interest of our Promoter

Our Promoters, members of Promoter and Promoters' Group Mr. Archit Kandarp Amin holds 10%, Mr. Suchit Kandarp Amin holds 10% and Ms. Archana Amin holds 50% stake in Kalindi Impex.

III. Proprietorship concern

1. Krishna Orgochem

Our Promoter, Mr. Kandarp Amin founded Krishna Orgochem, a trading firm trading in chemicals. Mr. Kandarp Amin is the Sole Proprietor of Krishna Orgochem.

2. S D Agroorganics

M/s. S D Agroorganics was a partnership firm which was established and commenced its business *vide* Partnership Deed dated February 23, 2015 and is *interalia* engaged in the business of trading and manufacturing of all agro products, import and export of products relating there to.

Ms. Archana Amin, Mr. Archit Kandarp Amin, Mr. Suchit Kandarp Amin, Mr. Chintan S. Shah and Mr. Tejas R. Vora were present partners of M/s. S D Agroorganics With effect from February 23, 2015. Mr. Kandarp Amin was admitted as partner to the firm with effect from November 30, 2016 vide Deed dated May 24, 2016. Further, Mr. Archit Kandarp Amin, Mr. Suchit Kandarp Amin, Mr. Chintan S. Shah and Mr. Tejas R. Vora retired as partners w.e.f. November 30, 2015 vide Retirement Deed dated May 24, 2016. Further, Mr. Kandarp Amin retired as partner w.e.f. May 31, 2016 vide Retirement Deed dated June 24, 2016 from M/s. S D Agroorganics. Now, M/s. S D Agroorganics is a sole proprietary concern and our Promoter, Ms. Archana Amin is the Sole proprietor of S D Agroorganics. The principal place of business is located at Ghelakaka Estate, Opp. Torrent Power Sub Station, B/H Gati Roadways, Pirana Road, Piplaja, Ahmedabad, Gujarat, India.

IV. HUF

1. Kandarp Krishnakant Amin HUF

Information

Kandarp Krishnakant Amin- HUF ("**KA HUF**") was formed on April 1, 1990. The PAN number of KA HUF is AADHA3342N

Interest of our Promoters
Mr. Kandarp Amin, our Promoter, is the karta of KA HUF.

2. Archit Kandarp Amin HUF

Information

Archit Kandarp Amin- HUF ("**AA HUF**") was formed on December 03, 2014. The PAN number of AA HUF is AAOHA7321J.

Interest of our Promoters
Mr. Archit Kandarp Amin, our Promoter, is the karta of AA HUF.

3. Suchit Kandarp Amin HUF

Information

Suchit Kandarp Amin- HUF ("**SA HUF**") was formed on December 03, 2014. The PAN number of SA HUF is AAZHS9782C.

Interest of our Promoters
Mr. Suchit Kandarp Amin, member of our Promoter group, is the karta of SA HUF.

Nature and Extent of Interest of Group Entities

(a) In the promotion of our Company

Except as discussed in "*Financial Statements*" on page 123, none of our Group Entities have any interest in the promotion or any business interest or other interests in our Company**.**

(b) In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Letter of Offer with SEBI

None of our Group Entities are interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Letter of Offer.

(c) In transactions for acquisition of land, construction of building and supply of machinery

Except as stated in "*Restated Statement of Related Parties*" under the section titled *"Financial Information"* beginning on page 123, None of our Group Entities is interested in any transactions for the acquisition of land, construction of building or supply of machinery to our Company.

Common Pursuits/Conflict of Interests among the Group Entities with our Company

Except as disclosed in this Draft Letter of Offer, there are no common pursuits between any of our Group Entities and our Company.

Related Party Transactions within the Group Entities and significance on the financial performance of our Company

For details please refer to "*Restated Statement of Related Parties*" under the section titled *"Financial Information"* beginning on page 123 of the Draft Letter of Offer.

Significant Sale/Purchase between our Company and the Group Entities

None of our Group Entities is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Business Interest of Group Entities

We have entered into certain business contracts with our Group Entities. For details, see "*Restated Statement of Related Parties*" under the section titled *"Financial Information"* beginning on page 123 of the Draft Letter of Offer.

Other than as stated above, none of our Group Entities have any business interest in our Company.

Defunct Group Entities

None of our Group Entities are defunct and no application has been made to the relevant Registrar of Companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of the Draft Letter of Offer. Further, none of our Group Entities fall under the definition of sick companies under Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up. Our Group Entities have not received a notice for striking-off of such Group Entities' names from the relevant Registrar of Companies.

Loss making Group Companies

The following table sets forth the details of our Group Entities which have incurred loss in the last fiscal year and loss made by them in the last three fiscal years:

(₹in Lakhs)

Sl. No.	Name of the Entity	Profit/(Loss) for the years ended		
		March 31, 2015	**March 31, 2014**	**March 31, 2013**
1.	Adonis Lifecare Private Limited	(51.42)	0.75	0.76

Other declarations and disclosures

Our Group Entities are not listed entities and their securities have not been refused listing at any time by any recognized stock exchange in India or abroad. Further, our Group Entities have not made a public issue or rights issue (as defined in the SEBI ICDR Regulations) in the preceding three years. No action has been taken against our Group Entities by any Stock Exchange or by SEBI.

As on the date of the Draft Letter of Offer, there are no defaults of our Group Entities in meeting any statutory/bank/institutional dues.

As on the date of the Draft Letter of Offer, no proceedings have been initiated for economic offences against our Group Entities.

None of our Group Entities have been debarred from accessing the capital market for any reasons by SEBI or any other authorities. Further none of our Group Entities have been identified as wilful defaulters by the RBI or any other authorities.

Litigation

For details relating to legal proceedings involving our Group Entities, please refer to the chapter titled '*Outstanding Litigations and Defaults*' beginning on page 164 of the Draft Letter of Offer.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the shareholders of our Company, in their discretion, subject to the provisions of the Articles of Association and the Companies Act, 2013. The payment of dividends will depend on a number of factors, including but not limited to our Company's earnings, general financial condition, capital requirements, results of operations, contractual obligations and overall financial position, liquidity and applicable taxes including dividend distribution tax payable by our Company, and other factors considered relevant by the Board of Directors. The Board may also from time to time pay interim dividends. All dividend payments are made in cash to the shareholders of our Company. In addition, our Company's ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing arrangements our Company may enter into to finance fund requirements for its business activities.

In order to plough back resources, our directors did not recommend any payment of dividend for the last five Financial year(s).

SECTION VI – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditor's report on the Restated Financial Information in connection with the Rights Issue of Archit Organosys Limited for period ended June 30, 2016 and for each of the years ended March 31, 2016, 2015, 2014, 2013 and 2012

To
The Board of Directors
Archit Organosys Limited
CIN: L24110GJ1993PLC019941
Plot No. 25/9-A, Phase-III,
GIDC, Naroda,
Ahmedabad-382 330

Dear Sirs,

1. We have examined the restated financial information expressed in Indian Rupees in lakhs, comprising of the Restated Summary Statement of assets and liabilities as at June 30,2016, March 31, 2016, 2015, 2014, 2013 and 2012, as set out in Annexure I, the Restated Summary Statement of Profits and Losses and also the Restated Summary Statement of Cash Flows for the period ended on June 30, 2016 and financial years ended March 31, 2016, 2015, 2014, 2013 and 2012, as set out in Annexure II and III and other financial information (collectively the "Restated Summary Statements") of Archit Organosys Limited ("the Company"), annexed to this report and initialed by us for identification purposes, for the purposes of inclusion in the offer document. This financial information has been prepared by the management of the Company in connection with its proposed Rights Issue Offering. Such Restated Financial information, which has been approved by the Board of Directors of the Company on 14/10/2016 has been prepared in accordance with the requirements of:

a. Sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 ('the Act') read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules ('the Rules'), 2014 and

b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of Section 30 of the Securities and Exchange Board of India Act, 1992.

2. We have examined such restated financial information taking into consideration:

a. The terms of reference received from the Company vide their letter dated 01/09/2016 requesting us to carry out work on such financial information, proposed to be included in the offer document of the Company in connection with its proposed Rights Issue; and

b. Guidance Note (Revised) on Reports in Company Prospectuses issued by The Institute of Chartered Accountants of India.

3. The Restated Summary Statements of the Company has been compiled by the management from:

a. The audited balance sheets of the Company as at June 30,2016 ,March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 and the related audited statement of profit and loss and cash flow statements for the period ended on June 30, 2016 and for the year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors on 13/10/2016,30/05/2016, 25/05/2015, 28/05/2014, 18/05/2013 and 29/05/2012 respectively.

b. Other financial and other records of the Company, to the extent considered necessary, for the presentation of the restated financial information under the requirements of the Schedule III of Companies Act, 2013/ Revised Schedule VI of the Companies Act, 1956, in relation to the year ended on March 31, 2012.

4. In accordance with the requirements of sub-clauses (i) and (iii) of clause (b) of sub-section (1) of section 26 of Chapter III of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and allotment of Securities) Rules, 2014 and the terms of our engagement agreed with you, we report that:

a. We have examined the restated summary statement of assets and liabilities of the Company as at June 30, 2016, March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, as set out in Annexure I to Restated Summary Information. These are after making adjustments, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V and XII to the restated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the financial statements of the Company for the relevant financial years.

b. We have examined the related restated summary statement of profits and losses and cash flows of the Company for the period ended on June 30, 2016 and for the years ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, as set out in Annexure II and III.

Other Financial Information

5. We have examined the other restated financial information of the Company listed below, for the period ended on June 30, 2016 and for each of the financial years ended on March 31, 2016, 2015, 2014, 2013 and 2012 which, as approved by the Board of Directors on 14/10/2016 and annexed to this report is proposed to be included in the offer document:

i) Restated Statement of Significant Accounting Policies and Restated Statement of Notes on Financial Statements, enclosed as Annexure IV;
ii) Restated Statement of Material Adjustment, enclosed as Annexure V;
iii) Restated Statement of Reserves and Surplus, enclosed as Annexure VI;
iv) Restated Statement of Long Term Borrowings, enclosed as Annexure VII;
v) Restated Statement of Deferred Tax Liabilities, enclosed as Annexure VIII;
vi) Restated Statement of Long Term Provisions, enclosed as Annexure IX;
vii) Restated Statement of Short Term Borrowings, enclosed as Annexure X;
viii) Restated Statement of Trade Payables, enclosed as Annexure XI;
ix) Restated Statement of Other Current Liabilities, enclosed as Annexure XII;
x) Restated Statement of Short Term Provisions, enclosed as Annexure XIII;
xi) Restated Statement of Long Term Loans and Advances, enclosed as Annexure XIV;
xii) Restated Statement of Inventories, enclosed as Annexure XV;
xiii) Restated Statement of Trade Receivables, enclosed as Annexure XVI;
xiv) Restated Statement of Cash and Cash Equivalents, enclosed as Annexure XVII;
xv) Restated Statement of Short-Term Loans and Advances, enclosed as Annexure XVIII;
xvi) Restated Statement of Other Current Assets, enclosed as Annexure XIX;
xvii) Restated Statement of Capitalisation Statement as Annexure XX;
xviii) Restated Statement of Accounting Ratios, enclosed as Annexure XXI;
xix) Restated Statement of Related Parties, enclosed as Annexure XXII;
xx) Restated Statement of Contingent Liabilities, Capital and Other Commitments, enclosed as Annexure XXIII;
xxi) Restated Statement of Operating Income, enclosed as Annexure XXIV;
xxii) Restated Statement of Other Income, enclosed as Annexure XXV;
xxiii) Restated Statement of Employee Benefit Expenses, enclosed as Annexure XXVI;
xxiv) Restated Statement of Finance Costs, enclosed as Annexure XXVII;
xxv) Restated Statement of Manufacturing and Other Expenses, enclosed as Annexure XXVIII;
xxvi) Restated Statement of Tax Shelter, enclosed as Annexure XXIX
xxvii) The company has not declared any dividend in any of the financial years as restated above.

6. Based on our examination, we further report that:

a. The restated financial information have to be read in conjunction with the Restated Statement of Significant Accounting Policies and Restated Summary Statement of Notes on Financial Statements appearing in Annexure IV to this report;

b. There are no changes in accounting policies adopted by the Company during the period ended on June 30, 2016 and years ended on March 31, 2016, 2015, 2014, 2013 and 2012 which would require adjustment in the Restated Summary Statements;

c. Adjustments for the material amounts relating to the earlier financial year has been adjusted in the opening balance of Surplus / (Deficit) in Statement of Profit and Loss as appeared in the attached Restated Summary Statements as shown in Annexure V;

d. There are no extraordinary items which need to be disclosed separately in the Restated Summary Statements;

e. There is a qualification with respect of non provision for loss in derivative contract for sale of foreign currency pertaining to F.Y. 2008-09 in the auditors' report on the financial statements of the Company for the period ended on June 30, 2016 and for each of the financials years ended on March 31, 2016, 2015, 2014, 2013 and 2012 respectively which require adjustments to the Restated Summary Statements as shown in Annexure V:

7. This report should not be in any way construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should it be construed as a new opinion on any of the financial statements referred to therein.

8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

9. This report is intended solely for your information and for inclusion in the offer document in connection with the proposed Rights Issue of the equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

FOR G. K. CHOKSI & CO.
[Firm Registration No. 101895W]
Chartered Accountants

SANDIP A. PARIKH
Partner
Mem. No. 40727

Place : Ahmedabad
Date : 14th October, 2016

ANNEXURE - I : Restated Summary of Assets and Liabilities

(₹ in Lakhs)

Particulars	Annexure. No.	As at June 30, 2016	For the year ended March 31, 2016	2015	2014	2013	2012
EQUITY AND LIABILITIES							
Shareholders' Fund							
Share Capital		503.48	503.48	303.48	303.48	303.48	303.47
Reserves and Surplus	VI	697.33	648.10	101.51	22.55	(37.04)	(88.06)
Money received Against Share Warrant		-	-	-	-	-	-
		1,200.81	1,151.58	404.99	326.03	266.44	215.41
Share Application Money Pending Allotment		-	-	-	-	-	-
Non-Current liabilities							
Long term borrowings	VII	1,153.55	303.74	135.92	150.36	180.00	207.26
Deferred tax liabilities(Net)	VIII	47.52	48.60	46.07	52.17	50.02	57.32
Other Long term Liabilities		-	-	-	-	-	6.15
Long term provisions	IX	9.26	9.14	6.40	9.43	9.67	10.63
		1,210.33	361.48	188.39	211.96	239.69	281.36
Current liabilities							
Short term borrowings	X	607.58	775.24	740.39	583.42	529.48	844.78
Trade payables	XI						
Due to Micro, Medium & Small Enterprise		47.10	38.46	49.33	-	-	-
Due to Others		547.83	579.21	774.06	821.63	431.50	613.63
Other current liabilities	XII	247.08	262.45	228.92	165.30	173.07	222.95
Short term provisions	XIII	53.39	30.75	41.80	4.68	0.66	2.86
		1,502.98	1,686.11	1,834.50	1,575.03	1,134.71	1,684.22
Total		3,914.12	3,199.17	2,427.88	2,113.02	1,640.84	2,180.99
ASSETS							
Non-Current assets							
Fixed assets							
Tangible assets		604.29	613.98	617.02	518.63	494.30	540.61
Intangible assets		-	-	0.01	0.01	0.08	0.16
Capital Work in Progress		1,639.41	824.91	46.04	-	-	-
Intangible assets under development							
		2,243.70	1,438.89	663.07	518.64	494.38	540.77
Non-Current Investment		-	-	-	-	-	-
Deferred Tax Assets		-	-	-	-	-	-
Long term Loans and Advances	XIV	202.52	85.73	6.71	10.55	4.58	4.03
Other Non-Current Assets		-	-	-	-	-	11.37
		202.52	85.73	6.71	10.55	4.58	15.40
Current Assets							
Current Investments							

Particulars	Annexure. No.	As at June 30, 2016	For the year ended March 31, 2016	2015	2014	2013	2012
Inventories	XV	216.21	278.14	326.23	101.24	129.52	159.44
Trade receivables	XVI	991.67	1,107.91	1,161.97	1,366.33	888.01	1,168.61
Cash & cash equivalents	XVII	51.05	89.39	91.57	53.37	36.42	232.64
Short term – Loans & advances	XVIII	206.97	197.36	177.41	61.06	86.49	61.61
Other Current Assets	XIX	2.00	1.75	0.92	1.83	1.44	2.52
		1,467.90	1,674.55	1,758.10	1,583.83	1,141.88	1,624.82
Total		3,914.12	3,199.17	2,427.88	2,113.02	1,640.84	2,180.99

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sandip Parikh
Partner
Membeship No. 40727

Place: Ahmedabad
Date: 14th October, 2016

For and on behalf of the Board

Kandarp K. Amin
Whole time Director
DIN 00038972

Archana K. Amin
Whole time Director
DIN 00038985

ANNEXURE - II : Restated Summary Statement of Profits and Losses

(₹ in Lakhs)

Particulars	Annexure No.	For the period ended June30, 2016	For the year ended March 31, 2016	2015	2014	2013	2012
REVENUE							
Revenue from operations	XXIV	1,062.45	5,204.63	5,667.82	5,078.93	3,910.16	4,738.85
Less: Excise Duty		(9.13)	(69.26)	(114.08)	(157.89)	(70.19)	(95.34)
		1,053.32	5,135.37	5,553.74	4,921.04	3,839.97	4,643.51
Other Income	XXV	3.06	22.24	40.93	11.48	81.36	135.48
Total Revenue		1,056.38	5,157.61	5,594.67	4,932.52	3,921.33	4,778.99
EXPENSES							
Cost of Material Consumed		311.03	1,809.36	2,038.96	1,860.27	1,435.71	1,571.43
Purchase of Stock in Trade		320.94	1,752.26	2,278.68	1,892.25	1,284.87	2,277.41
Change in inventories		88.87	4.45	(143.05)	8.17	(1.62)	28.61
Employee benefits expenses	XXVI	57.27	207.68	175.29	146.41	124.08	105.30
Finance cost	XXVII	30.16	82.84	89.13	74.42	95.03	104.50
Depreciation and Amortization		10.32	39.79	42.86	29.90	32.63	36.87
Manufacturing and Other Expenses	XXVIII	167.64	1,029.11	972.08	832.36	883.53	574.56
Total Expenses		986.23	4,925.49	5,453.95	4,843.78	3,854.23	4,698.68
Profit before Tax		70.15	232.12	140.72	88.74	67.10	80.31
Tax Expenses							
Current Tax		22.00	83.00	55.00	27.00	35.01	16.01
Tax in respect of Earlier Years			-	0.63	-	-	-
MAT Credit Entitlement			-	11.64	-	(11.64)	-
Deferred Tax		(1.08)	2.53	(6.11)	2.15	(7.29)	(2.88)
		20.92	85.53	61.16	29.15	16.08	13.13
Profit for the year after tax		49.23	146.59	79.56	59.59	51.02	67.18
Earning per Equity Share:							
Basic and diluted (Refer note below)		0.97	4.62	2.61	1.95	1.67	2.20

Note: Pursuant to issue of 20,00,000 Equity Shares during the Financial Year 2015-16,the weighted average number of Equity Shares has been considered for the purpose of computation of EPS.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sandip Parikh
Partner
Membeship No. 40727

Place: Ahmedabad
Date: 14th October, 2016

For and on behalf of the Board

Kandarp K. Amin
Whole time Director
DIN 00038972

Archana K. Amin
Whole time Director
DIN 00038985

ANNEXURE - III : Restated Summary Statement of Cash Flows

(₹ in Lakhs)

Particulars	For the period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
[A] Cash flow from operating activities						
Profit/(Loss) for the year before taxation and exceptional items	70.15	232.12	140.72	88.74	67.10	80.31
Adjustments for:						
Income Tax Expense	10.32	-	(0.63)	-	(0.01)	(0.01)
Depreciation and Amortization	-	39.79	42.86	29.90	32.63	36.87
Loss on Asset Discarded		-	-	-	-	0.28
Profit/(Loss) on sale of Fixed Assets	-	(0.20)	23.82	0.92	27.80	(52.54)
Interest Expense	30.17	82.84	89.13	74.42	95.04	165.04
Interest Income	(0.95)	(6.22)	(5.23)	(9.71)	(7.64)	(17.84)
Operating profit before working capital changes	109.69	348.33	290.67	184.27	214.92	212.11
Adjustments for:						
Trade Receivables	116.24	54.06	204.36	(478.32)	286.02	(193.22)
Short term loan and advances	(126.40)	(98.97)	(112.51)	19.46	(25.43)	67.13
Inventories	61.92	48.10	(224.99)	28.28	29.92	9.70
Trade payables	(22.73)	(239.05)	35.09	390.11	(182.13)	(71.39)
Other Current Liabilities	(7.02)	69.25	13.14	(7.79)	(52.93)	(33.77)
Other Bank Balances	-	(0.28)	0.08	(0.01)	10.36	(11.51)
Cash generated from operations	131.70	181.44	205.84	136.00	280.73	(20.95)
Direct taxes Refund/(paid)	0.76	(92.24)	(36.44)	(23.18)	(25.98)	(0.66)
Net cash from operating activities [A]	132.46	89.20	169.40	112.82	254.75	(21.61)
[B] Cash flow from investing activities						
Purchase of fixed assets	(815.12)	(818.68)	(213.70)	(57.20)	(22.63)	(51.56)
Sale of Fixed Assets	-	3.25	2.00	2.12	8.60	106.38
Interest received	0.70	5.39	6.13	9.32	8.72	17.56
Net cash used in investing activities [B]	(814.42)	(810.04)	(205.57)	(45.76)	(5.31)	72.38
[C] Cash flow from financing activities						
Procurement/(Repayment) of long/ short term borrowings	680.03	203.01	155.54	24.30	(342.57)	260.99
Calls in Arrears Received	-	-	-	-	0.01	-
Issuer of Equity Share Capital	-	200.00	-	-	-	-
Security Premium Received	-	400.00	-	-	-	-
Interest Paid	(30.17)	(90.26)	(81.71)	(74.42)	(95.04)	(165.04)
Net cash flow from financial activities [C]	649.86	712.75	73.83	(50.12)	(437.60)	95.95

Particulars	For the period Ended June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Net Increase/(Decrease) in cash and cash equivalents[A+B+C]	(32.10)	(8.09)	37.66	16.94	(188.16)	146.72
Cash and cash equivalents opening	81.78	89.87	52.21	35.27	223.43	76.71
Cash and cash equivalents closing	49.68	81.78	89.87	52.21	35.27	223.43

Notes:

1. Figures in brackets indicate cash outflow
2. The above statement should be read with the notes to restated significant accounting policies to the restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexure IV and V.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sandip Parikh
Partner
Membeship No. 40727

Place: Ahmedabad
Date: 14th October, 2016

For and on behalf of the Board

Kandarp K. Amin
Whole time Director
DIN 00038972

Archana K. Amin
Whole time Director
DIN 00038985

ANNEXURE IV: Restated Statement of Significant Accounting Policies

1. Summary of Significant Accounting Policies

(a) Basis of preparation of Restated Summary Statements and financial statements

The restated summary statement of assets and liabilities of the Company as at June 30, 2016, March 31, 2016, 2015, 2014, 2013 and 2012 and the related restated summary statement of profits and loss and Statement of Cash Flows for the period ended on June 30, 2016 and for each of the financial years ended on March 31, 2016, 2015, 2014, 2013 and 2012 [herein collectively referred to as 'Restated summary statements'] have been extracted by the management from the audited financial statements of the Company for the period ended on June 30, 2016 and for each of the financial years ended on March 31, 2016, 2015, 2014, 2013 and 2012.

The restated summary statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013("the Act") read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The restated summary statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

These restated summary statements have been prepared to comply with the requirements of section 26 of the Companies Act, 2013, read with Rules 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ('the Regulations').

The audited Financial Statements period ended June 30, 2016 and for year ended March 31, 2016 and 2015 has been prepared in accordance with Schedule III of the Companies Act, 2013 and for the financial years ended on March 31, 2014, 2013 and 2012 in accordance with Revised Schedule VI of the Companies Act, 1956. For the purpose of inclusion in the offer document, audited financial statements are prepared in accordance with Schedule III of the Companies Act, 2013. The adoption of Schedule III of the Companies Act, 2013 do not impact recognition and measurement principles followed for preparation of financial statements.

The financial statements have been prepared to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) rules, 2014 and other relevant provisions of the Act to the extent notified and applicable. The financial statements have been prepared on a going concern and accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous years.

These Restated Summary Statements have been prepared after incorporating:

(i) Appropriate adjustments have been made in the Restated Summary Statements, wherever required, by regrouping of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with those of as per the audited financials of the Company for the period ended on June 30, 2016.

(ii) Appropriate adjustment has been made in the Restated Summary Statements, in respect of qualification in connection with non-provision for loss in derivative contract for sale of foreign currency in auditor's report for period ended on June 30, 2016 and for each of the financial years ended on March 31, 2016, 2015, 2014, 2013 and 2012.

(b) Use of estimates

The preparation of financial statements in conformity with the generally accepted accounting principles requires Management to make estimates and assumptions that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expense during the reporting period. Although these estimates are based upon Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual result and estimates are recognized in the period in which the results are known / materialized.

(c) Fixed Assets

Fixed Assets are stated at their original cost net of cenvat including incidental expenses related to acquisition and installation, less accumulated depreciation. Cost comprises of the purchase price and any other attributable cost of bringing the assets to its working condition for its intended use.
At the balance sheet date, an assessment is done to determine whether there is any indication of impairment in the carrying amount of Company's fixed assets. If any such indication exists, the asset's recoverable amount is estimated .An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

After recognition of impairment loss, the depreciation charge for the assets is adjusted in future periods to allocate the asset's revised carrying amount, less its residual value (if any), on straight line basis over its remaining useful life.

In accordance with the provisions contained in Schedule II to the Companies Act, 2013, the components of an asset, which have significant cost to total cost of assets and its own useful life, are required to be depreciated separately over its own useful life. Pursuant to such requirement, the company has retained a technical expert to identify such components and based on certificate obtained from such technical expert, the company does not have any such components. Accordingly the company is not required to determine depreciation separately.

(d) Borrowing Costs

Borrowing Costs that are directly attributable to acquisition of qualifying assets are capitalized for the period until the asset is ready for intended use. A qualifying asset is an asset that necessarily takes substantial period of time to get ready for its intended use.
Other borrowing costs are recognised as an expense in the period in which they are incurred.

(e) Depreciation

Depreciation on Tangible Fixed Assets, upto financial year ended March 31, 2014, was provided on 'Straight Line Method'' at the rates and in the manner prescribed in Schedule XIV of the Companies Act, 1956.

With the applicability of Companies Act, 2013 with effect from April 1, 2014, depreciation / amortization is provided on the Straight Line Method, pro-rata to the period of use of assets, based on the useful lives as specified in Part C of Schedule II to the Companies Act, 2013

Due to the same, there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the F.Y. 2014-15 and in each period during the remaining useful life of the assets. As the change is only in regards to an accounting estimate requiring an adjustment of the carrying amount of tangible assets, the same does not require adjustment in the financial information for the years ended on March 31, 2014, 2013 and 2012.

The Company provides depreciation on additions/ deletions to fixed assets is calculated pro-rata from/ up to the date of such additions/ deletions.

The Company provides depreciation on leasehold land over the primary period of the lease.

The Company provides for amortization on goodwill on acquisition over a period of five years from the date of acquisition.

(f) Inventories

(i) Stock in trade comprising of raw materials (including goods in transit) and finished goods are valued at the lower of cost or net realizable value after making such provisions as required on account of damage, unserviceable and obsolete stocks. Value of raw material does not include excise duty, countervailing duty paid to the extent of which CENVAT credit is availed. Excise duty on goods manufactured by the company and remaining in inventory is included as a part of valuation of finished goods.
(ii) Work-in-process is valued at cost to the extent of stage of completion.

(iii) Stores, spares, consumable and packing materials are charged to profit and loss account as and when they are procured and stock of such items as at the end of the year is accounted at cost.

(g) Revenue Recognition

(i) Revenue in respect of domestic sale of products is recognised when the risks and rewards of ownership are passed on to the customers, which is upon dispatch of products. Sales are stated at contractual realizable values, net of excise duty, sales tax and trade discount.
(ii) Export Sales are recognized at invoiced value converted in to reporting currency by applying the exchange rate prevailing on transaction date i.e. Bill of lading date.
(iii) Export Incentives are accounted for on accrual basis to the extent there is certainty about its ultimate collection.

(h) Foreign Currency Transactions

(i) Transactions in foreign currency are recorded at the exchange rates prevailing on the date of the transactions.
(ii) In respect of monetary items denominated in foreign currencies, exchange differences arising out of settlement or on conversion at the closing rate are recognized in the Profit and Loss Account.

The difference in translation and realised gains and losses on foreign exchange transactions, other than those relating to imported fixed assets are recognised in the Profit and Loss Account. Further in respect of transaction covered by forward exchange contract, the difference between the contract rate and the spot rate on the date of the transaction is charged to the Profit and Loss account over the period of the contract

(i) Retirement Benefits

(i) Contributions to provident fund are made at predetermined rates to Government Authority and charged to profit and loss account.
(ii) Retirement Benefits being Gratuity is accounted for based on actuarial valuation by the independent valuer.

(j) Excise/Custom Duty

Excise duty has been accounted based on both payments made in respect of goods cleared from factory premises and provision made for manufactured goods lying unsold at year-end in factory premises.

(k) Taxation

(i) Current year tax is provided based on taxable income computed in accordance with the provisions of the Income-tax Act, 1961.
(ii) Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent period. Deferred tax assets are recognized on unabsorbed depreciation and carry forward of losses based on virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.
(iii) MAT credit asset is recognized where there is convincing evidence that the asset can be realized in future. MAT credit assets are reviewed at each balance sheet and written down or written up to reflect the amount that is reasonably certain to be realized.

(l) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

(m) Earnings per Share

The basic earnings per share is computed and disclosed by dividing the net profit after tax attributable to equity shareholders for the year by weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year, adjusted for the effects of all dilutive potential equity share, if any.

Other Notes

1. Employee Benefits
   a. Defined contribution to Provident fund and Employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the period recognized ` 1,06,719/- (P.Y. 3,75,237/-) as expense towards contributions to these plans.

   b. Defined Contribution Benefit Plans (Gratuity)

The following table sets out the status of the gratuity scheme non funded plan as at 30th June, 2016.

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2015-16	2014-15	2013-14	2012-13	2011-12
Changes in the present value of obligation						
Present value of obligation (Opening)	23.23	21.66	15.87	14.07	10.63	5.64
Interest cost	0.47	1.73	1.48	1.16	0.90	0.48
Past service cost	NIL	NIL	NIL	NIL	NIL	NIL
Current service cost	0.48	1.96	2.14	2.11	1.55	1.35
Curtailment Cost / (Gain)		NIL	NIL	NIL	NIL	NIL
Settlement Cost / (Gain)		NIL	NIL	NIL	NIL	NIL
Benefits paid		NIL	NIL	NIL	NIL	NIL
Actuarial (Gain) / Loss	(0.59)	(2.12)	2.17	(1.47)	0.99	3.17
Present value of obligation (Closing)	23.59	23.23	21.66	15.87	14.07	10.64

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Changes in the fair value of plan assets						
Present value of plan assets (Opening)	8.39	7.74	5.85	4.00	NIL	NIL

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Return on plan assets	0.17	0.62	0.51	0.41	0.26	NIL
Employers Contributions	NIL	0.07	1.40	NIL	NIL	NIL
Gain / (Loss)	0.18	(0.04)	(0.02)	1.44	3.73	NIL
Employees Contributions	NIL	NIL	NIL	NIL	NIL	NIL
Benefits Paid	NIL	NIL	NIL	NIL	NIL	NIL
Fair Value of Plan Assets (Closing)	8.74	8.39	7.74	5.85	3.99	NIL
Percentage of each category of plan assets to total fair value of plan assets at the quarter / year end						
Bank Deposits	NIL	NIL	NIL	NIL	NIL	NIL
Debt Instruments	NIL	NIL	NIL	NIL	NIL	NIL
Administered by Life Insurance Corporation of India	100%	100%	100%	100%	100%	NIL
Others	NIL	NIL	NIL	NIL	NIL	NIL
Reconciliation of the present value of defined benefit obligation and the fair value of assets						
Present value of funded obligation as at the quarter / year end	8.74	8.39	7.74	5.85	14.07	10.63
Fair value of plan assets as at year end	8.74	8.39	7.74	5.85	4.00	NIL
Funded (Asset)/ Liability recognised in the balance sheet	8.74	8.39	7.74	5.85	10.07	10.63
Present value of unfunded obligation as at the quarter / year end	14.85	14.85	13.92	9.42	NIL	NIL
Unrecognised past service cost	NIL	NIL	NIL	NIL	NIL	NIL
Unrecognised Actuarial (Gains) / Losses	NIL	NIL	NIL	NIL	NIL	NIL
Unfunded net liability recognised in the balance sheet	14.85	14.85	13.92	9.42	NIL	NIL
Amount recognized in the balance sheet						
Present value of obligation as at the quarter / year end	23.59	23.23	21.66	15.87	14.07	10.63
Fair value of plan assets as at the quarter / year end	8.74	8.39	7.74	5.85	4.00	NIL
(Asset) / Liability recognized in the balance sheet	14.85	14.84	13.92	10.02	10.07	10.63
Expenses recognized in the						

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
profit & loss account						
Current service cost	0.48	1.96	2.14	2.11	1.55	1.35
Past service cost	NIL	NIL	NIL	NIL	NIL	NIL
Interest cost	0.47	1.73	1.48	1.16	0.90	0.48
Expected return on plan assets	(0.17)	(0.62)	(0.51)	(0.41)	(0.26)	NIL
Curtailment Cost / (Credit)	NIL	NIL	NIL	NIL	NIL	NIL
Settlement Cost / (Credit)	NIL	NIL	NIL	NIL	NIL	NIL
Net Actuarial (Gain) / Loss	(0.77)	(2.08)	2.19	(1.47)	0.99	3.17
Employee's Contribution	NIL	NIL	NIL	NIL	NIL	NIL
Total expenses recognized in the profit and loss A/c.	0.01	0.99	5.30	1.39	3.18	5.00
Principal actuarial assumption (Rate of Discounting)						
Rate of discounting	7.90%	8.06%	8.00%	9.32%	8.25%	8.05%
Expected return on plan assets	7.90%	8.06%	8.00%	8.75%	9.00%	NIL
Rate of increase in salaries	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Attrition Rate (Employees opting for early retirement)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

The estimates of future salary increases take account of inflation, seniority, promotion and mortality assumption and other relevant factors such as demand and supply in the employment market, considered in actuarial valuation.

2. Earning Per Share

(₹ in Lakhs)

Particulars	For the period ended June 30, 2016	For the year ended March 31,				
		2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
Net Profit/(Loss) for the year (Amount in `)	49.23	146.59	79.56	59.59	51.02	67.18
Number of equity shares (Weighted Average)	50.50	31.70	30.50	30.50	30.50	30.50
Nominal value of the share	10.00	10.00	10.00	10.00	10.00	10.00
Basic and diluted Earnings per Share	0.97	4.62	2.61	1.95	1.67	2.20

Note: During the year 2015 - 16, The Company has issued 20, 00,000 equity shares.

For G.K.Choksi & Co.
Chartered Accountants
Firm Registration No. 101895W

Sandip Parikh
Partner
Membeship No. 40727

Place: Ahmedabad
Date: 14th October, 2016

For and on behalf of the Board

Kandarp K. Amin
Whole time Director
DIN 00038972

Archana K. Amin
Whole time Director
DIN 00038985

ANNEXURE - V: Restated Statement of Material Adjustment

The summary of Results of Net Adjustments/ Rectifications made in the Audited Accounts of the respective year and its impact on Reserves and Surplus is given below:

(₹ in Lakhs)

Cumulative effect of above increase/(decrease) in Statement of Profit / Loss	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Opening Reserve and Surplus as per Balance Sheet	246.60	100.01	21.05	(38.54)	(89.56)	(9.67)
Changes in Restated Financials :						
Provision for loss in derivative contract (Refer Note Below)	-	-	-	-	-	(147.07)
Opening Reserve and Surplus as per Restated Balance Sheet	246.60	100.01	21.05	(38.54)	(89.56)	(156.74)

Note: Loss on derivative contract pertains to F.Y.2008-09 and the amount includes principle and interest upto January, 2013 only. Interest payable from 1st February, 2013 to 30th June, 2016 has not been intimated to the company and accordingly not given any effect.

ANNEXURE - VI: Restated Statement of Reserves and Surplus

(₹ in Lakhs)

Particulars	As at June 30,	For the year ended March 31,				
	2016	2016	2015	2014	2013	2012
Security Premium						
Balance as per Previous Financial Statements	400.00	-	-	-	-	-
Add: Received during the year	-	400.00	-	-	-	-
Less: Utilised during the year	-	-	-	-	-	-
	400.00	400.00	-	-	-	-
General Reserves						
Balance as per Previous Financial Statements	1.50	1.50	1.50	1.50	1.50	1.50
Add: Received during the year	-	-	-	-	-	-
Less: Utilised during the year	-	-	-	-	-	-
	1.50	1.50	1.50	1.50	1.50	1.50
Surplus/(Deficit) in Statement of Profit and Loss						
Balance as per Previous Financial Statements	246.60	100.01	21.05	(38.54)	(89.56)	(156.74)
Add: Profit for the Year	49.23	146.59	79.56	59.59	51.02	67.18
Less :Adjustment due to change in useful life of Fixed Assets (Refer Note Below)		-	0.60	-	-	-
Balance available for appropriation	295.83	246.60	100.01	21.05	(38.54)	(89.56)
Less: Appropriations		-	-	-	-	-
Net Surplus/(Deficit)	295.83	246.60	100.01	21.05	(38.54)	(89.56)
	697.33	**648.10**	**101.51**	**22.55**	**(37.04)**	**(88.06)**

Note: Amount adjusted against Retained Earnings due to change in estimate with respect of useful life of the fixed assets.

ANNEXURE - VII: Restated Statement of Long Term Borrowings

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Secured Loan						
Term Loan						
Union Bank of India A/c No.616	13.65	15.66	23.70	-	-	19.69
Union Bank of India A/c No.1163	853.41	-	-	-	-	-
Vehicle Loan						
ICICI Bank Limited	14.62	15.81	20.31	-	-	-
Kotak Mahindra Prime Limited	6.87	7.27	-	-	-	-
BMW India Finance Services Pvt. Ltd.	-	-	6.91	15.36	-	-
Ahmedabad Mercantile Co-operative Limited	-	-	-	-	-	4.58
Kotak Mahindra Pvt. Ltd.	-	-	-	-	-	2.99
	888.55	38.74	50.92	15.36	-	27.26
Unsecured Loan						
From Directors	265.00	265.00	85.00	135.00	180.00	180.00
	1,153.55	303.74	135.92	150.36	180.00	207.26

Nature of Security

The Term Loans from Union Bank of India A/c No. 616 is secured by way of hypothecation of Plant and Machinery and personal guarantee of directors.

The Term loans amounting to from Union Bank of India A/c No. 1163 is secured by way of hypothecation of Plant and Machinery of Bhavnagar and personal guarantee of directors.

The Vehicle loans are secured by Vehicles.

Terms of Repayment of Loans

Term Loan	
Union Bank of India A/c No.616	Repayable in 56 monthly installments commencing from July,2014. Last Installment due on March, 2019. Rate of interest 14.15% as at period end. (P.Y. 14.15%).
Union Bank of India A/c No.1163	Repayable in 62 monthly installments in ballooning method commencing from November, 2017. Last Installment due on December, 2023. Rate of interest 14.15% as at period end. (P.Y. NIL).
Vehicle Loan	
ICICI Bank Limited	Loan is repayable in monthly installments of ₹ 52,700/- commencing from April,2015 and last installment falls due on February, 2020.
Kotak Mahindra Prime Ltd.	Loan is repayable in monthly installments of ₹ 19,320/- commencing from January,2016 and last installment falls due on January, 2019.
BMW India Finance Services Pvt. Ltd.	Loan is repayable in monthly installments of ₹ 80,075/- commencing from February,2014 and last installment falls due on December, 2016.
Unsecured Loan	
Unsecured Loan as at 30/06/2016 is repayable on or after September, 2020 and March, 2018 respectively.	

ANNEXURE - VIII: Restated Statement of Deferred Tax Liabilities

The company estimates deferred tax/(charge) using the applicable rate of taxation based on the impact of timing difference between financial statements and estimated taxable income for the current year.

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Deferred Tax Liabilities						
Difference of book depreciation and tax depreciation	52.43	53.51	50.59	55.42	53.29	61.07
Deferred Tax Assets						
Disallowance u/s. 43(b) under Income Tax Act, 1961	4.91	4.91	4.52	3.25	3.27	3.53
Disallowance u/s. 40(a) (ia) under Income Tax Act, 1961		-	-	-	-	0.22
Net Deferred Tax Liability/ (Asset)	47.52	48.60	46.07	52.17	50.02	57.32

ANNEXURE - IX: Restated Statement of Long Term Provisions

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
For Employee Benefits						
Gratuity	14.85	14.85	13.92	10.03	9.67	10.63
Less: Amount disclosed under the head Short Term Provision	5.59	5.71	7.52	0.60	-	-
	9.26	9.14	6.40	9.43	9.67	10.63

ANNEXURE - X: Restated Statement of Short Term Borrowings

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Secured						
Working Capital Loan						
From Banks	607.58	717.24	649.89	439.92	466.78	784.18
Unsecured						
From Directors	-	33.00	6.00	65.00	62.70	60.60
Inter Corporate Deposit	-	25.00	84.50	78.50	-	0.00
	607.58	775.24	740.39	583.42	529.48	844.78

ANNEXURE - XI : Restated Statement of Trade Payables

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
For Goods and Services						
Related Party	1.21	3.99	-	3.32	0.25	3.58
Others	546.62	575.22	774.06	818.31	431.25	610.05
	547.83	579.21	774.06	821.63	431.50	613.63

ANNEXURE - XII : Restated Statement of Other Current Liabilities

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Current Maturities of Long Term Debt	18.89	20.99	20.65	7.64	-	38.09
Payable towards Capital Goods	56.45	52.50	37.24	-	-	-
Interest on Short Term Borrowing	-	-	7.42	-	-	0.81
Other Payables :						
Payable for Loss in Derivative Contract	147.07	147.07	147.07	147.07	147.07	147.07
Bank Overdraft	-	6.24	0.62	-	-	9.07
Statutory Dues	9.11	26.29	13.58	4.32	14.25	7.17
Security Deposit	0.96	2.11	-	-	-	-
Others	14.60	7.25	2.34	6.27	11.75	20.74
Tothal Other Payables	171.74	188.96	163.61	157.66	173.07	184.05
TOTAL	247.08	262.45	228.92	165.30	173.07	222.95

ANNEXURE - XIII : Restated Statement of Short Term Provisions

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Employee Benefits						
Gratuity	5.59	5.71	7.52	0.60	0.40	0.00
Others						
For Taxation (Net of Advance Tax)	47.80	25.04	34.28	4.08	0.26	2.86
	53.39	30.75	41.80	4.68	0.66	2.86

ANNEXURE - XIV : Restated Statement of Long Term Loans and Advances

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Capital Advances	196.07	79.28	0.26	6.00	-	1.00
Security Deposits	6.45	6.45	6.45	4.55	4.58	3.03
	202.52	85.73	6.71	10.55	4.58	4.03

ANNEXURE - XV : Restated Statement of Inventories

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Raw Material	74.57	43.44	94.45	13.66	34.72	65.77
Stock in Progress	40.41	41.25	31.27	59.09	32.24	34.87
Finished Goods	64.68	37.58	13.52	10.08	39.44	15.90
Stock in Trade	27.49	86.07	75.28	13.69	19.34	38.64
Packing Materials	9.06	11.53	4.82	3.53	2.35	3.09
Consumable Stores	-	1.71	1.06	1.19	1.43	1.17
Goods in Transit	-	56.56	105.83	-	-	-
	216.21	278.14	326.23	101.24	129.52	159.44

ANNEXURE - XVI : Restated Statement of Trade Receivables

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Debt outstanding for the period exceeding six months	31.29	62.00	12.49	53.72	16.01	54.13
Others	960.38	1,045.91	1,149.48	1,312.61	872.00	1,114.48
	991.67	1,107.91	1,161.97	1,366.33	888.01	1,168.61

ANNEXURE - XVII : Restated Statement of Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Balances with Scheduled Banks Current / Cash Credit Accounts	2.32	15.93	39.27	5.00	2.97	9.30
Cheques on hand	-	-	-	0.63	-	173.25
Fixed Deposits						
With maturity of less than 3 months	42.97	59.10	46.43	44.75	30.09	48.19
Cash in hand	4.39	12.99	4.79	1.83	2.21	1.76
Other Bank Balances						
With maturity of more than 3 months but less than 12 months	1.37	1.37	1.08	1.16	1.15	0.14
With maturity of more than 12 months		-	-	-	-	-
	51.05	89.39	91.57	53.37	36.42	232.64

ANNEXURE - XVIII : Restated Statement of Short-Term Loans and Advances

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Advances to Employees	3.98	3.21	5.51	4.72	3.90	4.24
Balances with /from revenue authorities	196.63	181.29	163.48	49.62	47.01	20.78
Prepaid Expenses	2.40	3.83	3.98	6.51	3.12	3.16
Security Deposits	-	-	-	-	-	0.50
Other Recoverable	3.96	9.03	4.44	0.21	32.46	32.93
	206.97	197.36	177.41	61.06	86.49	61.61

ANNEXURE - XIX : Restated Statement of Other Current Assets

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Interest Accrued on Fixed Deposits	2.00	1.75	0.92	1.83	1.44	2.52
	2.00	1.75	0.92	1.83	1.44	2.52

ANNEXURE - XX: Restated Statement of Capitalisation Statement

(₹ in Lakhs)

Particulars	As at June 30, 2016 (Pre - Issue)	Adjusted For Right Issue (*)
Short Term Debt	607.58	(·)
Long Term Debt	1,153.55	(·)
Shareholder's Fund		
Share Capital	503.48	(·)
Reserves	697.33	(·)
	1,200.81	(·)
Long Term Debt/Equity	0.96	(·)

Note: The above has been computed on the basis of Restated Summary Statement of Assets and Liabilities of the company.

ANNEXURE - XXI: Restated Statement of Accounting Ratios

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Profit after Tax	49.23	146.59	79.56	59.59	51.02	67.18
Number of Equity Shares	50.50	50.50	30.50	30.50	30.50	30.50
Number of Equity Shares (Weighted Average) (Refer note below)	50.50	31.70	30.50	30.50	30.50	30.50
Net Worth	1,200.81	1,151.58	404.99	326.03	266.44	215.41
Ratios						
Earnings per Share	0.97	4.62	2.61	1.95	1.67	2.20
(Refer note below)						
Diluted Earnings per Share	0.97	4.62	2.61	1.95	1.67	2.20
Return on Net Worth Ratio	0.04	0.13	0.20	0.18	0.19	0.31
Net Asset Value per Share	23.78	22.80	13.28	10.69	8.74	7.06

Note: Pursuant to issue of 20, 00,000 Equity Shares during the F.Y.2015-16, the weighted average number of Equity Shares has been considered for the purpose of computation of EPS

ANNEXURE-XXII: Restated Statement of Related Parties

(a) List of Related Parties with whom transactions have taken place during the year and relationship:

Sr. no	Name of related party	Relationship
1	Kandarp K. Amin	Key Management Personnel (KMP)
2	Archana K. Amin	
3	Krishna Orgochem	Enterprise/Entities over which key management personnel or relative of KMP exercise significant influence (other related parties)
4	Adonis Lifecare Private Limited	
5	Archit Advance Materials	
6	Kalindi Impex	
7	S.D. Agro Organosys	
8	Kalindi Industries	
9	Archit K. Amin	Relative of Key Management Personnel
10	Suchit K Amin	
11	Shimoli A. Amin	

(b) Transactions with Related Parties

(₹ in Lakhs)

Sr. No.	Particulars	Relationship	For the period ended June 30,2016	For the year ended March 31,				
				2015-16	2014-15	2013-14	2012-13	2011-12
(i)	Remuneration							
	-Archanaben K. Amin	KMP	5.25	18.00	15.00	12.00	12.00	12.00
	- Kandarp K. Amin	KMP	4.80	16.20	13.20	12.00	12.00	12.00
	- Archit K. Amin	Relative of KMP	3.75	9.00	9.00	9.00	9.00	9.00
	- Suchit K Amin	Relative of KMP	3.75	9.00	9.00	9.00	3.00	-
	- Shimoli A. Amin	Relative of KMP	1.50	2.40	2.40	2.40	2.40	2.40
(ii)	Interest Expenses							
	-Archanaben K. Amin	KMP	1.28	3.01	3.27	7.23	7.78	-
	-Kandarp K. Amin	KMP	4.54	10.57	-	-	5.47	-
	-Krishna Orgochem	Other related parties	3.54	12.89	15.30	18.74	18.57	
	-Adonis Lifecare Private Limited	Other related parties	-	-	-	4.55	-	1.07
(iii)	Rent Expenses							
	- Kandarp K. Amin	KMP	1.95	7.80	7.80	7.80	7.80	7.80
	-Archanaben K. Amin	KMP	2.1	8.40	8.40	8.40	8.40	8.40
(iv)	Sales Commission Expense							
	- Kalindi Industries	Other related parties	-	8.88	-	-	-	-
	-Adonis Lifecare Private Limited	Other related parties	-	104.93	-	-	-	-

Sr. No.	Particulars	Relationship	For the period ended June 30,2016	For the year ended March 31,				
				2015-16	2014-15	2013-14	2012-13	2011-12
(v)	Labour Charges							
	-Kalindi Impex	Other related parties	-	4.68	-	-	-	-
(vi)	Sales							
	-Archit Advance Material	Other related parties	-	12.78	-	-	-	-
	-S.D. Agro Organosys	Other related parties	-	-	25.00	-	-	-
	- Kalindi Impex	Other related parties	2.64	3.40	-	-	-	-
	- Krishna Orgochem	Other related parties	-	87.18	-	-	-	-
(vii	Unsecured loan (Taken During the year)							
	-Archanaben K. Amin	KMP	-	100.51	16.27	7.23	24.40	-
	-KandarpbhaiK.Amin	KMP	-	280.57	-	-	36.48	39.15
	-Archit K. Amin	Relative of KMP	-	-	-	-	5.00	62.60
	-Suchit K Amin	Relative of KMP	-	-	-	-	3.50	-
	-Krishna Orgochem	Other related parties	-	32.89	24.30	87.74	234.73	144.00
	-Adonis Lifecare Private Limited	Other related parties	-	-	-	59.55	0.86	27.07
(viii)	Unsecured loan (Repaid During the year)							
	-Archanaben K. Amin	KMP	22.00	48.51	66.27	13.68	23.80	49.80
	- Kandarp K. Amin	KMP	-	145.57	-	40.75	36.48	19.50
	- Archit K. Amin	Relative of KMP	-	-	-	-	5.00	-
	- Suchit K Amin	Relative of KMP	-	-	-	-	3.50	-
	- Krishna Orgochem	Other related parties	11.00	12.89	83.30	83.24	233.23	-
	-Adonis Lifecare Private Limited	Other related parties	-	-	-	59.55	1.67	109.80

(c) Outstanding Balances at the end of Financial Years

(₹ in Lakhs)

Sr. No.	Particulars	Relationship	For the period ended June 30,2016	For the year ended March 31,				
				2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
(i)	Due by company							

Sr. No.	Particulars	Relationship	For the period ended June 30,2016	For the year ended March 31,				
				2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
	As Unsecured Loan							
	- Kandarpbhai K. Amin	KMP	135.00	135.00	-	-	40.75	40.75
	- Archanaben K. Amin	KMP	30.00	52.00	-	50.00	56.45	55.85
	- Krishna Orgochem	Other related parties	100.00	111.00	91.00	150.00	145.50	144.00
(ii)	As Trade Payable							
	- Archanaben K. Amin	KMP	0.63	0.63	-	0.88	-	1.49
	- Kandarp K. Amin	KMP	0.58	0.58	-	0.88	-	1.24
	- Archit K. Amin	KMP	-	-	-	0.69	-	0.66
	- Suchit K Amin	Relative of KMP	-	-	-	0.68	0.25	-
	- Shimoli A. Amin	Relative of KMP	-	-	-	0.20	-	0.20
	- Adonis Lifecare Private Limited	Other related parties	-	2.78	-	-	-	-
(iii)	As Trade Receivable							
	-Archit Advance Material	Other related parties	7.36	7.75	-	-	-	-
	- Kalindi Impex	Other related parties	20.62	0.48	-	-	-	-
	- Krishna Orgochem	Other related parties	67.64	67.64	-	-	-	-
	- S.D. Agro Organosys	Other related parties	25.00	25.00	25.00	-	-	-
(iv)	As Interest Accrued but due on Unsecured Loan							
	-Adonis Lifecare Private Limited	Other related parties	-	-	-	-	-	0.81

ANNEXURE - XXIII: Restated Statement of Contingent Liabilities, Capital and Other Commitments

(₹ in Lakhs)

Particulars	As at June 30, 2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Contingent Liabilities						
- Bank Guarantee	NIL	NIL	NIL	100.00	100.00	100.00
-Income Tax	4.85	4.85	NIL	NIL	NIL	NIL
-Sales Tax/ CST	NIL	NIL	NIL	NIL	NIL	8.64
Capital Commitments						
Estimated amount of contracts remaining to be executed on capital account and not provided for	100.00	180.00	NIL	NIL	NIL	NIL
Other Commitments	NIL	NIL	NIL	NIL	NIL	NIL

ANNEXURE - XXIV: Restated Statement of Operating Income

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31, 2016	2015	2014	2013	2012
Sale of Products						
Manufactured Goods (Inclusive of Excise Duty)	653.38	3,328.99	3,238.73	2,986.16	2,472.09	2,298.59
Stock in Trade	408.87	1,850.60	2,350.33	2,067.51	1,426.96	2,440.26
Other Operating Revenue						
Export Incentives	-	13.83	9.81	2.99	11.11	-
Lifting Charges of Chlorine	-	11.21	68.95	22.27	-	-
	1,062.45	5,204.63	5,667.82	5,078.93	3,910.16	4,738.85

Breakup of Sales of Product

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31, 2016	2015	2014	2013	2012
Manufactured (Net of Excise)						
Sodium Monochloride	142.46	450.96	500.95	655.12	724.36	665.38
Mono Chlorine Acetic acid	477.31	2,714.59	2,332.49	1,979.99	1,587.79	1,462.46
EDTA Tetra Sodium	1.70	18.84	22.18	14.50	14.19	15.88
Hydro Chlorine Acid	0.10	1.95	4.67	6.18	16.37	11.96
Others	22.80	73.39	264.36	172.48	59.19	47.57
	644.45	3,259.73	3,124.65	2,828.27	2,401.90	2,203.25
Stock in Trade						
Ethyle Acetate	137.64	880.42	1,005.96	596.65	377.99	1,041.61
Acetic Acid	-	60.85	-	14.79	29.27	71.25
Others	271.33	909.33	1,344.37	1,456.07	1,019.70	1,327.40
	408.87	1,850.60	2,350.33	2,067.51	1,426.96	2,440.26

ANNEXURE - XXV: Restated Statement of Other Income

(₹ in Lakhs)

Particulars	For the period ended June 30, 2016	For the year ended March 31, 2016	2015	2014	2013	2012
Interest Income	0.95	6.22	5.23	9.71	7.64	17.84
Profit on disposal/retirement of fixed assets	-	0.22	-	-	-	52.54
Rentals/Compensation of Properties	-	-	-	-	-	0.72
Lifting Charges of Chlorine	-	-	-	-	73.22	48.54
Claims Realised	-	-	26.75	-	-	-
Other Non-Operating Income						
Sundry Credit Balance Written Back		7.83	5.54	-	-	4.94
Excess Provision of Income Tax	-	-	-	1.70	-	4.06
Commission	-	-	-	-	-	6.42
Insurance Claim	-	-	-	-	-	0.16
Miscellaneous	2.11	7.97	3.41	0.07	0.50	0.26
	2.11	15.80	8.95	1.77	0.50	15.84
	3.06	22.24	40.93	11.48	81.36	135.48

ANNEXURE - XXVI : Restated Statement of Employee Benefit Expenses **(₹ in Lakhs)**

Particulars	For the period ended June 30,2016	For the year ended March 31, 2016	2015	2014	2013	2012
Salary, Wages and Bonus	48.91	178.34	141.35	116.03	100.62	85.34
Contribution to Provident and Other Funds	3.22	6.73	10.71	7.43	7.82	6.85
Staff Welfare and Training Expense	5.14	22.61	23.23	22.95	15.64	13.11
	57.27	207.68	175.29	146.41	124.08	105.30

ANNEXURE - XXVII : Restated Statement of Finance Costs

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31, 2016	2015	2014	2013	2012
Interest on Borrowings						

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Banks	2.74	21.33	23.78	74.07	89.25	86.63
On Term Loans	0.78	3.87	2.16	-	3.55	12.69
Working Capital Loan	11.02	16.39	28.94	-	-	-
Vehicle Loans	-	3.51	1.97	-	-	-
Others						
Income Tax	-	2.04	-	-	-	-
On Unsecured Loan	10.97	30.37	26.82	-	-	-
Other Borrowing Cost						
Other ancillary Cost	4.65	5.33	5.46	0.35	2.23	4.38
Adjustment on account of foreign exchange fluctuation	-	-	-	-	-	0.80
	30.16	82.84	89.13	74.42	95.03	104.50

ANNEXURE - XXVIII : Restated Statement of Manufacturing and Other Expenses

(₹ in Lakhs)

Particulars	For the period Ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Manufacturing Expenses						
Stores & Other Consumables	22.10	101.63	111.12	95.01	75.18	39.95
Power Fuel & Water Charges	22.67	83.09	78.69	83.60	82.65	64.85
Repairs and Maintenance:						
Plant, Machinery and Other Equipments	1.80	17.81	15.11	20.86	26.68	12.62
Buildings	3.66	32.99	58.08	26.80	89.24	22.53
Electrical	-	19.75	27.88	16.74	14.62	-
Laboratory	1.17	3.33	0.61	0.68	2.20	1.23

Particulars	For the period Ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Expenses						
Job Work Charges	-	-	1.96	4.30	1.40	0.81
Pollution Plant Treatment	-	0.02	0.36	0.16	0.16	0.16
Excise duty on Finished Goods (Net)	(3.16)	2.67	0.39	(3.23)	2.59	0.89
Establishment Expenses						
Fees and Legal Expenses	7.50	41.32	77.61	33.71	36.07	14.57
Insurance Charges	1.39	6.74	6.87	6.38	6.29	11.35
Travelling Expenses	8.81	32.36	37.71	36.73	15.55	17.87
Rent, Rates & Taxes	5.55	18.91	17.75	17.57	20.32	28.91
Other Repairs	0.75	9.02	5.12	3.58	7.24	1.73
Remuneration	0.75	3.02	1.50	1.50	1.50	1.50
Interest to Suppliers	2.06	20.23	30.20	10.78	17.66	44.51
Miscellaneous Expenditure	81.04	62.08	60.92	52.51	55.90	58.86
Loss on Derivative Contract	-	-	-	-	23.64	-
Loss on asset discarded	-	0.03	23.82	0.92	27.80	0.28
Sundry Balances Written Off	-	-	-	4.64	1.99	7.44
Donation	0.17	1.89	16.41	1.12	1.64	0.40
Foreign Exchange	(15.01)	(32.33)	(41.88)	32.38	(12.03)	-

Particulars	For the period Ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Fluctuation						
Bad debts	-	-	-	-	8.93	56.88
Selling and Distribution Expenses						
Packing Material Consumed	11.75	79.97	98.99	100.47	-	52.05
Sales Commission Expenses	0.92	217.84	93.36	103.85	-	12.89
Clearing and Forwarding Expenses	0.60	237.45	204.34	124.94	-	101.48
Others	13.12	69.29	45.16	56.36	376.31	20.80
	167.64	1,029.11	972.08	832.36	883.53	574.56

ANNEXURE - XXIX: Restated Statement of Tax Shelter

(₹ in Lakhs)

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Restated Profit / Loss before Tax	70.15	232.12	140.72	88.74	67.10	80.31
Marginal Tax Rate (%)	33.06%	33.06%	32.45%	30.90%	32.45%	30.90%
Tax at Nominal Rate	23.19	76.75	45.66	27.42	21.77	24.82
Permanent Differences						
Permanent disallowances under Income Tax Act						
Interest on TDS	-	-	0.07	0.01	-	-
Interest on Income Tax	-	2.04	-	0.13	-	-
Income Tax Expense	-	-	-	-	-	-
Penalty	-	-	0.18	-	0.16	-
Fees for Increase In Authorised Share Capital	-	9.18	-	-	-	-
TDS Expense	-	0.11	0.03	-	-	-
Interest u/s 201	-	0.08	-	-	-	-
Donation(Net)	0.17	0.66	2.82	1.10	0.46	0.50

Particulars	For the period ended June 30,2016	For the year ended March 31,				
		2016	2015	2014	2013	2012
Club Expenditure	-	0.02	0.04	0.07	-	-
(Profit) / Loss on sale of Fixed Assets	-	(0.22)	23.82	0.92	-	(58.90)
Deduction u/s 35AC	-	-	-	(0.90)	-	-
Speculative Income	-	-	-	-	21.42	-
Income Tax Provision Written Back	-	(11.65)	-	(1.68)	-	-
Total	0.17	0.22	26.96	(0.35)	22.04	(58.40)
Timing Differences						
Differences due to depreciation on Fixed Assets under the Income Tax Act and Companies Act	1.13	(5.22)	(8.79)	(7.02)	(7.83)	(8.76)
Loss on Asset Discarded	-	0.03	-	-	27.80	-
Other timing differences						
Disallowance u/s 40(a)(ia)	-	0.38	0.63		0.73	0.73
Disallowance u/s 43B(Net)	-	0.93	3.90	(0.05)	(3.48)	7.92
Total	1.13	(3.88)	(4.26)	(7.07)	17.22	(0.11)
Net Adjustments	1.30	(3.66)	22.70	(7.42)	39.26	(58.51)
Tax Expense / (saving) thereon	0.43	(1.21)	7.37	(2.29)	12.74	(18.08)
Taxable Income from Business and Profession	71.45	228.46	163.42	81.32	106.36	21.80
Income from Capital Gain	-	-	-	-	-	25.52
Profit / (Loss) as per Income Tax Return	71.45	228.46	163.42	81.32	106.36	47.32
Taxable Income/ (Loss) as per MAT	-	222.70	140.82	88.75	67.44	73.99
Tax as per Income Tax Return	23.62	75.54	53.02	25.13	34.51	14.10
MAT Credit Adjusted	-	-	-	-	(11.64)	-
Interest u/s 234	-	2.42	2.04	-	0.53	0.17
Total Tax as per Return	23.62	77.96	55.06	25.13	23.40	14.27

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

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 chapter entitled 'Forward Looking Statements' for discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" for discussion of certain factors that may affect our business, financial condition and results of operations.

Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our Company's Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year or Fiscal are to the twelve months ended March 31 of that year.

In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Archit Organosys Limited, our Company.

Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for the three months ended June 30, 2016 and for Fiscals 2012, 2013, 2014,2015 and 2016 included in this Draft Letter of Offer beginning on page 123.

BUSINESS OVERVIEW

We are engaged in the manufacturing, marketing and sale of a variety of Organic Chemicals as well as in the marketing and sale of a variety of Organic Chemicals, Inorganic Chemicals, Dyes and Intermediates. We have an experience of 24 years in the manufacturing of Monochloroacetic Acid (MCA) & Sodium Monochloroacetate (SMCA), which is used in the synthesis of various Agricultural Chemicals, Cosmetic Surfactants, Oil Drilling Chemicals, Plastic Additives etc. We are an ISO 9001:2008 certified company with a fundamental focus to innovate, collaborate and enhance the process of serving products to the market and our customers. Over the years we have maintained a steady growth and have successfully expanded our business in USA, Europe, and Middle East and other countries.

Our present manufacturing facility is located at Plot No. 25/9-A/B Phase-III, GIDC Naroda, Ahmedabad, Gujarat, India (Naroda Facility) on a land area admeasuring 8,132 sq. mtrs. In order to expand our current manufacturing operations, our Company is in the process of establishing a new manufacturing facility at Narmad RS No. 228/1A Paiki 7/2 Bhavnagar, Gujarat, India (Bhavnagar Facility) on a land area admeasuring 56,656 sq. mtrs**.** For details please refer to the section titled *"Our Business*" on page 85.

Our Competitive Strengths

Company believes that our primary competitive strengths include the following:

- *Experienced Management Team and Technical Personnel*
- *Well Established Manufacturing Facilities and Production Operations Team*
- *A strong emphasis on Research and Development with well-equipped R & D facility*
- *Efficient Sales and Marketing with an increasing in market share in domestic and international markets*
- *Consistent delivery of quality products*

Our Strategies

Our key strategic initiatives are as under:

- *Enhancing our manufacturing facilities by adding new lines of manufacturing for new products*
- *To expand our customer base in India*
- *Continue to focus on our export business*
- *Hire or Set up adequate warehousing facilities in international markets*

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO JUNE 30, 2016 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS

No circumstances have arisen since the date of the last Restated Financial Statements as disclosed in this Draft Letter of Offer which materially and adversely affects or is likely to affect, our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months of the date of the last Restated Financial Statements as disclosed in this Draft Letter of Offer. There is no development subsequent to June 30, 2016 that we believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

FACTORS AFFECTING OUR BUSINESS, RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The business of our Company is subject to various risks and uncertainties including those discussed in section titled "Risk Factors" on page 14 of this Draft Letter of Offer. Our financial condition and results of operations are affected by various factors of which the following are of particular importance:

- Any major fluctuation in the prices of our raw materials may affect our business operations and profitability;
- Any major factor which adversely affects the industry in which our customers operate such as the Agrochemical Industry, Pharmaceutical Industry and Cosmetics Industry could result in a price disadvantage for our company;
- Increasing competition in the Industry in which we operate;
- Changes in government regulations, tax regimes, laws and regulations that apply to our Industry;
- Changes in fiscal, economic or political conditions in India;
- Changes in economic or political conditions in the countries to which we export our products;
- Changes in foreign exchange control regulations, interest rates and tax laws in India;
- Increase in processing costs, manufacturing overheads and logistics expenses.

RESULTS OF OUR OPERATIONS

The following table shows our Company's restated consolidated income statement for the Fiscals ended on March 31, 2014, 2015and 2016 and three months ended June 30, 2016. The percentages indicated reflect a percentage of total revenue for the periods presented.

(₹ in Lakhs)

Particulars	**For 3 months ended June 30, 2016**		**For year ended March 31,2016**		**For year ended March 31,2015**		**For year ended March 31,2014**	
	Amount	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**	**Amount**	**% of Total Revenue**
Revenue from operations	1,053.32	99.71%	5,135.37	99.57%	5,553.74	99.27%	4,921.04	99.77%
Other Income	3.06	0.29%	22.24	0.43%	40.93	0.73%	11.48	0.23%
Total Revenue	**1,056.38**	**100.00%**	**5,157.61**	**100.00%**	**5,594.67**	**100.00%**	**4,932.52**	**100.00%**
EXPENSES								
Cost of Material Consumed	311.03	29.44%	1,809.36	35.08%	2,038.96	36.45%	1,860.27	37.71%
Purchase of Stock in Trade	320.94	30.38%	1,752.26	33.97%	2,278.68	40.73%	1,892.25	38.35%
Change in inventories	88.87	8.41%	4.45	0.09%	(143.05)	(2.56%)	8.17	0.17%
Employee benefits expenses	57.27	5.42%	207.68	4.03%	175.29	3.13%	146.41	2.97%
Finance cost	30.16	2.86%	82.84	1.61%	89.13	1.59%	74.42	1.51%
Depreciation and Amortization	10.32	0.98%	39.79	0.77%	42.86	0.77%	29.90	0.61%

Manufacturing and Other Expenses	167.64	15.87%	1,029.11	19.95%	972.08	17.38%	832.36	16.88%
Total Expenses	**986.23**	**93.36%**	**4,925.49**	**95.50%**	**5,453.95**	**97.49%**	**4,843.78**	**98.20%**
Restated Profit before Tax	**70.15**	**6.64%**	**232.12**	**4.50%**	**140.70**	**2.52%**	**88.74**	**1.80%**
Tax Expenses	**20.92**	**1.98**	**85.53**	**1.66%**	**61.16**	**1.10%**	**29.15**	**0.59%**
Current Tax	22.00	2.08%	83.00	1.61%	55.63	0.99%	27.00	0.55%
MAT Credit entitlement	0.00	0.00%	0.00	0.00%	11.64	0.21%	0.00	0.00%
Deferred Tax	(1.08)	(0.10%)	2.53	0.05%	(6.11)	(0.10%)	2.15	0.04%
Restated Profit for the year after tax	**49.23**	**4.66%**	**146.59**	**2.84%**	**79.56**	**1.42%**	**59.59**	**1.21%**

Comparison of historical results of operations
Year ended on March 31, 2016 compared to year ended on March 31, 2015

Revenue from Operations (Net of Excise Duty)
Our total revenue from operations decreased to ₹ 5,135.37 lakhs for the year ended on March 31, 2016, as compared to ₹ 5,553.74 lakhs for the year ended on March 31, 2015, representing a decrease of 7.53%. This is primarily due to reduction in sales of traded goods and reduction in Sales price in the International markets.

Other Income
Our Other Income decreased to ₹ 22.24 lakhs for the year ended on March 31, 2016, as compared to ₹ 40.93 lakhs for the year ended on March 31, 2015, representing a decrease of 45.67%. This is primarily due to reduction in foreign exchange fluctuation gain.

Expenditure
Our total expenses decreased to ₹ 4,925.49 lakhs for the year ended on March 31, 2016, as compared to ₹ 5,453.95 lakhs for the year ended on March 31, 2015, representing a decrease of 9.69%.

Cost of Materials Consumed
Cost of Materials Consumed has been decreased from ₹ 1809.36 lakhs for the year ended on March 31, 2016, as compared to ₹ 2038.96 lakhs for the year ended on March 31, 2015, representing a decrease of 11.25% due to decrease in Raw Material prices and Freight Charges.

Employee Benefit Expenses
Our aggregate expenditure on employee benefit expenses was ₹ 207.68 lakhs for the year ended on March 31, 2016 as compared to ₹ 175.29 lakhs for the year ended on March 31, 2015, representing an increase of 18.48% primarily due to increase in Salaries, Wages and Bonus.

Depreciation and Amortisation expense
Our depreciation and amortization expense was ₹ 39.79 lakhs for the year ended on March 31, 2016 as compared to ₹ 42.86 lakhs for the year ended on March 31, 2015, representing a decrease of 7.16%. This was primarily due to change in value of depreciable assets.

Finance Cost
Our finance cost was ₹ 82.84 lakhs for the year ended on March 31, 2016 as compared to ₹ 89.13 lakhs for the year ended on March 31, 2015, representing a decrease of 7.08%. This decrease was mainly on account of decrease in working capital loan.

Manufacturing and Other expenses
Our aggregate Manufacturing and other expense was ₹ 1,029.11 lakhs for the year ended on March 31, 2016 as compared to ₹ 972.08 lakhs for the year ended on March 31, 2015, representing an increase of 5.87% mainly due to increase in Power, fuel and Water charges, Sales commission, Clearing & Forwarding charges and Other Selling & Distribution Expenses.

Net profit / loss after Tax

Our net profit after tax expenses was ₹ 146.59 lakhs for the year ended on March 31, 2016 as compared to net profit after tax expenses of ₹ 79.56 lakhs for the year ended on March 31, 2015, representing an increase of 84.28%. This was mainly due to increase in PBT.

Year ended on March 31, 2015 compared to year ended on March 31, 2014

Revenue from Operations (Net of Excise Duty)
Our total revenue from operations increased to ₹ 5,553.74 lakhs for the year ended on March 31, 2015, as compared to ₹ 4,921.04 lakhs for the year ended on March 31, 2014, representing an increase of 12.86%. This is primarily due to increase in sales of manufactured and traded goods.

Other Income
Our Other Income increased to ₹ 40.93 lakhs for the year ended on March 31, 2015, as compared to ₹ 11.48 lakhs for the year ended on March 31, 2014, representing an increase of 256.84%. This is primarily due foreign exchange fluctuation gain.

Expenditure
Our total expenses increased to ₹ 5,453.95 lakhs for the year ended on March 31, 2015, as compared to ₹ 4,843.78 lakhs for the year ended on March 31, 2014, representing an increase of 12.60%.

Cost of Materials Consumed
Cost of Materials Consumed has been increased from ₹ 2,038.96 lakhs for the year ended on March 31, 2015, as compared to ₹ 1,860.27 lakhs for the year ended on March 31, 2014, representing an increase of 9.61% due to increase in Raw Materials consumption and Freight Charges.

Employee Benefit Expenses
Our aggregate expenditure on employee benefit expenses was ₹ 175.29 lakhs for the year ended on March 31, 2015 as compared to ₹ 146.41 lakhs for the year ended on March 31, 2014, representing an increase of 19.72% primarily due to increase in salaries, wages and bonus and contribution to provident and other funds.

Depreciation and Amortisation expense
Our depreciation and amortization expense was ₹ 42.86 lakhs for the year ended on March 31, 2015 as compared to ₹ 29.90 lakhs for the year ended on March 31, 2014, representing an increase of 43.34%. This was primarily due to change in value of depreciable assets.

Finance Cost
Our finance cost was ₹ 89.13 lakhs for the year ended on March 31, 2015 as compared to ₹ 74.42 lakhs for the year ended on March 31, 2014, representing an increase of 19.79%. This increase was on account of interest costs of rupee term loan and increase in other borrowing costs.

Manufacturing and Other expenses
Our aggregate Manufacturing and other expense was ₹ 972.08 lakhs for the year ended on March 31, 2015 as compared to ₹ 832.36 lakhs for the year ended on March 31, 2014, representing an increase of 16.79% mainly due to increase in costs of Spares and Other Consumables, Repairs and Maintenance, Professional Fees, Interest paid to Suppliers, Pollution Treatment of Plant and Sales Promotion Expenses.

Net profit / loss after Tax
Our net profit after tax expenses was ₹ 79.56 lakhs for the year ended on March 31, 2015 as compared to net profit after tax expenses of ₹ 59.59 lakhs for the year ended on March 31, 2014, representing an increase of 33.55%. This was mainly due to increase in PBT.

Year ended on March 31, 2014 compared to year ended on March 31, 2013

Revenue from Operations (Net of Excise Duty)
Our total revenue from operations increased to ₹ 4,921.03 lakhs for the year ended on March 31, 2014, as compared to ₹ 3,839.97 lakhs for the year ended on March 31, 2013, representing an increase of 28.15%. This is primarily due to increase in the sales of manufactured and traded goods.

Other Income
Our Other Income decreased to ₹ 11.48 lakhs for the year ended on March 31, 2014, as compared to ₹ 81.36 lakhs for the year ended on March 31, 2013, representing a decrease of 85.90%. This is primarily due to reduction in foreign exchange fluctuation gain.

Expenditure
Our total expenses increased to ₹ 4,843.78 lakhs for the year ended on March 31, 2014, as compared to ₹ 3,854.23 lakhs for the year ended on March 31, 2013, representing an increase of 25.68%.

Cost of Materials Consumed
Cost of Materials Consumed has been increased from ₹ 1,860.27 lakhs for the year ended on March 31, 2014, as compared to ₹ 1,435.71 lakhs for the year ended on March 31, 2013, representing an increase of 29.57% due to increase in Raw Materials consumption and Freight Charges.

Employee Benefit Expenses
Our aggregate expenditure on employee benefit expenses was ₹ 146.41 lakhs for the year ended on March 31, 2014 as compared to ₹ 124.08 lakhs for the year ended on March 31, 2013, representing an increase of 18.01% primarily due to Salaries, Wages and Bonus and Staff Welfare and Training Expense.

Depreciation and Amortisation expense
Our depreciation and amortisation expense was ₹ 29.90 lakhs for the year ended on March 31, 2014 as compared to ₹ 32.63 lakhs for the year ended on March 31, 2013, representing a decrease of 8.37%. This was primarily due to change in value of depreciable assets.

Financial Cost
Our financial cost was ₹ 74.42 lakhs for the year ended on March 31, 2014 as compared to ₹ 95.03 lakhs for the year ended on March 31, 2013, representing a decrease of 21.69%. This decrease was on account of termination of rupee term loan and decrease of other borrowing costs..

Manufacturing and Other expenses
Our aggregate Manufacturing and other expense was ₹ 832.36 lakhs for the year ended on March 31, 2014 as compared to ₹ 883.53 lakhs for the year ended on March 31, 2013, representing a decrease of 5.79% mainly due to reduction in Repairs and Maintenance Costs, Laboratory Costs.

Net profit / loss after Tax
Our net profit after tax expenses was ₹ 59.59 lakhs for the year ended on March 31, 2014 as compared to net profit after tax expenses of ₹ 51.02 lakhs for the year ended on March 31, 2013, representing an increase of 16.69%. This was mainly due to increase in PBT.

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

1. Unusual or infrequent events or transaction

There have been no events to the best of our knowledge, other than as described in this document, which may be called "unusual" or "infrequent"

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as mentioned under the heading entitled 'Factors affecting our business, results of operations and financial condition' in this chapter, to the knowledge of the management of our Company, there are no other significant economic changes that materially affect or are 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

Other than as mentioned under the heading entitled 'Factors affecting our business, results of operations and financial condition' in this chapter, to the knowledge of the management of our Company, there are no other there are no known trends or uncertainties that are likely to have material adverse impact on sales, revenue or

income from continuing operations.

4. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Other than as described elsewhere in this document, particularly in this chapter, to the knowledge of the management of our Company, there are no known factors that might affect the future relationship between costs and revenues.

5. The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

There is no increase in net sales or revenue in the last financial year as compared to its previous financial year.

Changes in revenues during the last three years are as explained in the part 'Year ended on March 31, 2016 compared to year ended on March 31, 2015', 'Year ended on March 31, 2015 compared to year ended on March 31, 2014' and 'Year ended on March 31, 2014 compared to year ended on March 31, 2013' in this chapter.

6. Total turnover of each major industry segment in which the issuing company operated

Our Company is currently operating in one business segment and the entire turnover of the Company is from its current business segment.

7. Status of any publicly announced new products or business segment;

Except as described in this chapter and the chapter/section titled '*Our Business*' and '*Risk Factors*' beginning on page numbers 85 and 14, respectively, there are currently no publicly announced new products or business segments.

8. The extent to which business is seasonal

None of our businesses are seasonal in nature.

9. Any significant dependence on a single or few suppliers or customers

We are not dependent on single or few suppliers or customers.

10. Competitive conditions

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in the chapter titled "*Our Business*" beginning on page number 85.

FINANCIAL INDEBTEDNESS

A summary of outstanding secured borrowing together with a brief description of certain significant terms of such financing arrangements is as under:

Name of the Lender and Nature of facility	Documentation and date of the loan Agreement	Amount Sanctioned (₹ in Lakhs)	Amount Outstanding as on September 30, 2016 (₹ in Lakhs)	Rate of Interest %	Repayment Schedule	Security
Union Bank of India						
Fund Based						
Term Loan	Bank Sanction Letter dated May 24, 2014	38.00	19.68	13.10	Refer note (i) below	Hypothecation of Plant & Machineries
Term Loan	Bank Sanction Letter dated March 18, 2016	2,901.00	1,494.29	14.65	Refer note (ii) below	Hypothecation of Plant & machinery and Mortgage of Factory Land & Building at Bhavnagar
Cash Credit	Bank Sanction Letter dated March 18, 2016	750.00	184.93	12.85	-	Hypothecation of stock and book debts
FDBP/FUDBP	Bank Sanction Letter dated March 18, 2016	800.00	352.70	10.85	-	Hypothecation of bills against confirmed orders and LC of prime banks

Note:

(i) Term loan is to be repaid in 56 monthly installments of ₹ 0.67 lakhs and last installment of ₹ 0.48 lakhs (repayment commencing from July, 2014 and last installment due on March, 2019)

(ii) Repayment shall commence from November, 2017 after moratorium period of 22 months from first disbursement. Accordingly, the repayment shall be for 62 months. The installment amount is as shown in the table below:

Year	Months	Total Amount (p.a.) (₹ in Lakhs)	Amount of Installment (p.m.) (₹ in Lakhs)
2017-18 (From November, 2017)	5	140.50	28.10
2018-19	12	393.60	32.80
2019-20	12	561.60	46.80
2020-21	12	618.00	51.50
2021-22	12	673.20	56.10
2022-23	9	514.10	57.12
Total		**2,901.00**	

Personal Guarantee

Our promoters, Mr. Kandarp Amin and Mrs. Archana Amin, have entered into personal guarantee undertaking to guarantee Union Bank of India for performance of all of our Company's obligations under the sanction letter dated March 18, 2016.

Other Secured Loans

Name of the Lender and Nature of facility	Date of loan Agreement	Amount Sanctioned (₹ in Lakhs)	Amount Outstanding as on September 30, 2016 (₹ in Lakhs)	Rate of Interest %	End of Tenure
ICICI Bank-Car Loan	April 15, 2015	25.00	18.12	10.01	February 15, 2020
Kotak Mahindra Prime limited-Car Loan	December 16, 2015	9.20	8.06	9.50	December 5, 2020
BMW Finance Company-Car Loan	January 20, 2014	25.00	2.36	10.07	December 16, 2016

Unsecured Loans

Our Company has following unsecured loans outstanding as on September 30, 2016.

Name of Lender and relationship	Date of Loan	Total Amount Availed(₹ in Lakhs)	ROI (%)	Tenure	Outstanding as on September 30, 2016 (₹ in Lakhs)
Mr. Kandarp Amin (Promoter and Executive Director)	March 31, 2016	135.00	13.5	2 years	135.00
Ms. Archana Amin (Promoter and Executive Director)	May 28, 2016	30.00	13.5	2 years	30.00
Krishna Orgochem (Group entity)	May 30, 2016	100.00	13.5	2 years	100.00
Ms. Archana Amin (Promoter and Executive Director)	September 22, 2016	30.00	13.5	Less than 1 year	30.00
Mr. Archit Kandarp Amin (Promoter and Chief Executive)	September 22, 2016	30.00	13.5	Less than 1 year	30.00
Kalindi Impex (Group entity)	July 29, 2016 and September 30, 2016	35.00	13.5	Less than 1 year	35.00
Krishna Orgochem (Group entity)	July 1, 2016 and September 21, 2016	125.00	13.5	Less than 1 year	125.00
Nihal Estate Private Limited	July 4, 2016	25.00	9.00	Less than 1 year	25.00
Total		**510.00**			**510.00**

Restrictive Covenants

Under sanction letter dated March 18, 2016 by Union Bank of India, our Company is bound by various terms and conditions. Some of the more prominent covenants are set out below:

The borrower shall not without prior consent of the bank:

1. Enter into borrowing agreements, either secured or unsecured, with any other bank or financial institution for any cost over runs beyond the projected cost as per the financing plan. The cost over runs if any shall be funded by additional promoter's contribution.
2. Undertake any new project or expansion scheme without informing the bank unless the expenditure on such project is financed out of proceeds from investments or long term funds received for financing such new projects or expansion.
3. Make any material modifications to any of the Project Agreements.
4. Dilute equity holding of promoters below controlling stake.
5. Utilize loan/credit facilities for any other purpose.
6. Raise loan by their equity holding in the company.
7. Formulate any scheme of amalgamation or reconstruction.
8. Create any charge, lien or encumbrance over the assets of the company or any part thereof in favor of any Financial Institution, Bank and Company, Firm or Persons.

SECTION VII – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Except as stated in this section, there are no:

1. *(i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors or Promoter.*

   Our Company, in its meeting held on October 14, 2016, determined that outstanding legal proceedings involving our Company, Directors and Promoter: (a) where the amount involved, to the extent quantifiable, is more than 0.5% of the profit before depreciation, amortization, finance cost and tax of our Company as per the audited restated financial statements of FY 2016; or (b) whose outcome could have a material impact on the business, operations, prospects or reputation of our Company, will be considered as material litigation ***(Material Litigation).***

2. *(i) outstanding Material Dues (as defined below) to creditors; or (ii) outstanding dues to small scale undertakings and other creditors.*

   *Our Company, in its meeting held on October 14, 2016, determined that outstanding dues to creditors in excess of 0.15% of our Company's Total Revenue as per the audited restated financial statements of FY 2016 shall be considered as material dues (****Material Dues****). Details of outstanding dues to creditors including small scale undertakings, as of June 30, 2016, have been disclosed on our website at* www.architorg.com.

All terms defined in a particular litigation are for that particular litigation only. In this chapter, the next of date of hearing of all matters has been provided, where such date has been notified to our Company, absent which the status of the matter has been simply disclosed as pending.

A. Litigation involving our Company

(i) *Litigation against our Company*

(a) Criminal Complaints

There are no criminal complaints or proceedings filed against our Company.

(b) Actions initiated by Statutory / Regulatory Authorities

There are no actions initiated by statutory / regulatory authorities against our Company.

(c) Tax Proceedings

1 Notice under Section 274 read with Section 271(1)(c) of the Income Tax Act, 1961 issued by Deputy Commissioner of Income Tax on Archit Organosys Limited for levying the penalty for 'concealing' or 'furnishing inaccurate particulars of Income'

During the course of assessment proceedings for the assessment year 2013-2014, an assessment order was passed by the Deputy Commissioner of Income Tax on February 29, 2016 adding an amount of Rs. 11,11,439/- (Rupees eleven lakh eleven thousand four hundred and thirty nine only) to the total income as per the returns filed and a penalty u/s 271(1)(c) for concealing or furnishing inaccurate income was also initiated and notice dated February 2, 2016 was issued on Archit Organosys Limited.

Aggrieved by the assessment order, Archit Organosys Limited filed an appeal before the Hon'ble Commissioner of Income Tax (Appeals) and in view of Section 275(1)(c) of Income Tax Act, 1961, furnished a reply to the aforesaid notice on August 11, 2016 (i.e. before the stipulated time limit of August 12, 2016), attaching a copy of the appeal filed by it before the Hon'ble Commissioner of

Income Tax (Appeals) in the prescribed Form-35.

2 Notice under Section 143(2) of the Income Tax Act, 1961 issued by the Deputy Commissioner of Income Tax on Archit Organosys Limited with respect to limited scrutiny of its income filed for the Assessment year 2015-16

Pursuant to filing the return of income for the Assessment Year 2015-16 by Archit Organosys Limited, issues pertaining to mismatch of custom duty, mismatch of sales turnover, mismatch of payment to related persons and duty drawback received or recievable were identified by the Deputy Commissioner of Income Tax. A notice dated August 1, 2016 was issued on Archit Organosys Limited under Section 143(2) of the Income Tax Act, 1961, giving it the opportunity to produce information and evidence necessary to support the return of income filed originally.

Archit Organosys Limited responded to the aforementioned notice on August 13, 2016 (i.e. before the stipulated time limit of August 17, 2016) submitting the acknowledgment of return of income filed, annual accounts and tax audit report in support of the return of income filed by it originally.

(d) Other material pending litigations

1 Original Application No. 74/2009 filed by HDFC Bank Limited ("Applicant") against Archit Organosys Limited (Earlier known as Shri Chlochem Limited) ("Respondent") before the Debt Recovery Tribunal-II ("DRT-II"), Mumbai for the recovery of the amount which is pending as on date.

The Respondent had entered into and executed an ISDA Agreement (International Swaps and Derivatives Association Agreement) dated November 27, 2007 for the purpose of conducting the derivative transactions with the erstwhile Centurion Bank of Punjab Limited (the said bank has been merged with the Applicant i.e. HDFC Bank Limited w.e.f. May 23, 2008). According to Applicant, the Respondent had failed to discharge the liability as per the said Agreement and defaulted in repayment of the finance facility enjoyed and utilized by the Respondent from time to time. Pursuant to this, the Applicant on December 12, 2012, had served a notice on the Respondent calling upon to make payment to the Applicant of outstanding amount of Rs. 1,42,45,334.43 (Rupees One Crore Forty Two Lacs Forty Five Thousand Three Hundred Thirty Four and Forty Three Paise only) together with interest @18% p.a. and charges within 21 days from the date of receipt of notice failing which, it may be deemed that the Respondent is commercially insolvent and is unable to pay its debts which in turn may lead the Applicant, on its sole discretion, to file the Winding Up petition against the Respondent by treating the said notice as a Statutory Notice under Sections 433 and 434 of the Companies Act, 1956.

Subsequently, the Respondent, on December 31, 2012, had made a reply to the notice issued by the Applicant and at the outset, specifically denied the alleged claim considering it as hopelessly time barred and non-establishing and which was raised on purely speculative transactions which are de-hors the law. Respondent also claimed that the proceedings being Original Application No. 74/2009 have already been filed by the Applicant in the Debt Recovery Tribunal-II, Mumbai, which has directed the Applicant to produce the entire original record of FDRs along with necessary details of interest in the DRT which is yet to be complied by the Applicant. As the matter is sub-judice before the DRT and the same is being defended and contested by the Respondent, the Respondent refrained from making any further reply to the notice.

A response to the abovementioned reply was received by the Company on January 21, 2013 where the Applicant referred to a previous correspondence with the Respondent dated February 23, 2010, wherein, it was alleged that the Respondent had admitted its liability to the Applicant.

Subsequently, a reply dated February 7, 2013 was issued by the Respondent to the Applicant whereby the Respondent re-iterated the sub-judice nature of the matter pertaining to any liability owed by it to the Applicant. Further, a copy of the letter dated February 23, 2010 was attached to the reply clarifying to the Applicant that the said letter had been issued by the Respondent in context of the alleged claim

raised in Original Application No. 74 of 2009 and the contents of which, could in no manner, be interpreted to mean an admission of its liability by the Respondent.

The said application is pending as on date.

2 Company Petition No. 69 of 2013 filed by HDFC Bank ("Petitioner") Limited against Archit Organosys Ltd. (Earlier known as Shri Chlochem Limited) ("Respondent") before the High Court of Gujarat for winding-up of the Respondent, which is pending as on date.

The Petitioner has filed Company Petition No. 69 of 2013 for initiating winding up of the Respondent alleging insolvency. The Respondent is contesting the matter and no order has been filed with respect to winding-up. The matter is pending and has been ordered to be listed for hearing on November 14, 2016.

(ii) ***Litigation by our Company***

(a) Criminal Complaints

There are no criminal complaints or proceedings filed by our Company.

(b) Actions initiated with Statutory / Regulatory Authorities

There are no actions initiated with statutory / regulatory authorities by our Company

(c) Tax Proceedings

There are no tax proceedings filed by our Company.

(d) Other material pending litigations

1 Summary Suit No. 1328 of 2009 filed by Archit Organosys Limited (Earlier known as Shri Chlochem Limited) ("Plaintiff") against M/s Haldyn Glass Gujarat Ltd. ("Defendant") before the Court of City Civil Judge at Ahmedabad for recovery of amount which is pending as on date

The Defendant purchased Soda Ash Dense chemical goods from the Plaintiff on June 15, 2008, June 21, 2008, June 21, 2008, June 28, 2008 and June 28, 2008 *vide* bills bearing No. 211, 233, 1/T, 253 and 02/T respectively for Rs. 4,15,039/- (Rupees four lakh fifteen thousand and thirty nine only), Rs. 415,039/- (Rupees four lakh fifteen thousand and thirty nine only), Rs. 3,76,635/- (Rupees three lakh seventy six thousand six hundred and thirty five only), Rs. 4,30,460/- (Rupees four lakh thirty thousand four hundred and sixty only) and Rs. 2,31,000/- (Rupees two lakh thirty one thousand only) respectively.

The Defendant failed to clear its dues against Bill No. 02/T for Rs. 2,31,000/- (Rupees two lakh thirty one thousand only). On account of failure to make the payment within a stipulated time period, the Defendant was also liable to pay to the Plaintiff interest at 6% per annum on the amount due till the dues were cleared. Pursuant to multiple reminders by the Plaintiff, the Defendant informed it of its inability to make the due payments due to losses suffered by it. A suit to recover the sum of Rs. 2,31,000/- (Rupees two lakh thirty one thousand only) along with the running interest at 6% per annum, was thus filed by the Plaintiff in the City Civil Court at Ahmedabad.

Subsequently, due to change in the pecuniary jurisdiction of the Small Cause Courts, the matter was transferred to the Small Cause Court, Ahmedabad and is pending as on date.

2 Civil Suit (CCC) No. 554 of 2011 filed by Archit Organosys Limited (Earlier known as Shri Chlochem Limited) ("Plaintiff") against M/s Lifeline Industries Public Ltd. Company ("Defendant") in the City Civil Court at Ahmedabad for recovery of amount which is pending as on date

The Defendant purchased chemical goods from the Plaintiff during the period from June 19, 2009 to January 12, 2010 upon the condition of clearing all dues with respect to the same within 30 days from

the date of the bill, failing which the Plaintiff would be entitled to recover interest at 18% per annum till realization of the amount due.

Subsequently, in spite of reminders and demand by the Plaintiff, the Defendant failed to make payments for a sum of Rs. 68,65,618/- (Rupees sixty eight lakh sixty five thousand six hundred and eighteen only) along with interest due thereon, pursuant to which, a suit was filed by the Plaintiff in the City Civil Court at Ahmedabad to recover a sum of Rs. 75,73,512/- (Rupees seventy five lakh seventy three thousand five hundred and twelve only).
The Defendant was granted unconditional leave to defend by the City Civil Court and the same was upheld by the High Court of Gujarat through its Order dated August 1, 2014.

The matter is currently pending in the City Civil Court at Ahmedabad.

B. Litigation involving our Promoters/Group Companies

(i) ***Litigation against our Promoters/Group Companies***

(a) *Criminal Complaints*

There is no criminal complaint or proceeding pending against our Promoters/Group Companies.

(b) *Actions initiated by Statutory / Regulatory Authorities*

There are no actions initiated by statutory / regulatory authorities against our Promoters/Group Companies.

(c) *Tax Proceedings*

Notice under Section 142(1) read with Section 129 of the Income Tax Act, 1961 issued by the Assistant Commissioner of Income Tax on Mr. Kandarp Krishnakant Amin ("Assessee"), Promoter of the Company

During the course of assessment proceedings for the assessment year 2014-15, a notice dated September 29, 2016 was issued by the Assistant Commissioner of Income Tax on Mr. Kandarp Krishnakant Amin, one of the Promoters of the Company, in furtherance of scrutiny of his income for the Assessment Year 2014-15.

In furtherance of the same, the required information was submitted by the Assessee to the Assistant Commissioner of Income Tax on October 5, 2016 i.e. within the time period specified in the aforementioned notice.

(d) *Other material pending litigations*

There are no other material pending litigations against our Promoters/Group Companies.

(ii) ***Litigation by our Promoters/Group Companies***

(a) *Criminal Complaints*

1 Criminal Complaint No. 3124/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 9, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 31,392/- (Rupees thirty one thousand three hundred and ninety two only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009.

The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 31,392/- (Rupees thirty one thousand three hundred and ninety two only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

2 Criminal Complaint No. 3123/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 13, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only). The aforesaid criminal complaint is pending as on date

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

3 Criminal Complaint No. 3125/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 17, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 30,344/- (Rupees thirty thousand three hundred and forty four only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 30,344/- (Rupees thirty thousand three hundred and forty four only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

4 Criminal Complaint No. 3116/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 21, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 29,219/- (Rupees twenty nine thousand two hundred and nineteen only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 29,219/- (Rupees twenty nine thousand two hundred and nineteen only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

5 Criminal Complaint No. 3117/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 24, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 14,932/- (Rupees fourteen thousand nine hundred and thirty two only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 14,932/- (Rupees fourteen thousand nine hundred and thirty two only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

6 Criminal Complaint No. 3118/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 24, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 29,580/- (Rupees twenty nine thousand five hundred and eighty only) in furtherance of clearing all amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 29,580/- (Rupees twenty nine thousand five hundred and eighty only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

7 Criminal Complaint No. 3119/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated September 28, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 30,481/- (Rupees thirty thousand four hundred and eighty one only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 30,481/- (Rupees thirty thousand four hundred and eighty one only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

8 Criminal Complaint No. 3122/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated October 1, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 23,012/- (Rupees twenty three thousand and twelve only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act,

1881 for recovery of the pending sum of Rs. 23,012/- (Rupees twenty three thousand and twelve only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

9 Criminal Complaint No. 3120/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated October 4, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

10 Criminal Complaint No. 3121/2009 filed by Adonis Lifecare Pvt. Ltd. (Earlier known as /s Archit Polymers Pvt. Ltd.) ("Complainant") against Gohil Packaging Pvt. Ltd. ("Defendant") before the Court of Metropolitan Magistrate, Ahmedabad under Section 138 of the Negotiable Instruments Act, 1881 for dishonor of cheque.

The Defendant purchased chemical goods on credit from the Complainant in the course of its business. A cheque dated October 5, 2008 was drawn by the Defendant in favour of the Complainant for a sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only) in furtherance of clearing amounts due to the Plaintiff and was presented to the bank for payment on January 21, 2009. The aforesaid cheque was returned unpaid on January 22, 2009 for reasons of 'insufficient funds' by the bank.

The Complainant issued a written notice to the Defendant within 15 days from the return of the cheque, in conformity with Section 138 of the Negotiable Instruments Act, 1881, demanding payment of the amount due. However, no steps were taken by the Defendant towards the same. The Complainant then filed a criminal complaint under Section 138 of the Negotiable Instruments Act, 1881 for recovery of the pending sum of Rs. 29,864/- (Rupees twenty nine thousand eight hundred and sixty four only). The aforesaid criminal complaint is pending as on date.

It must also be noted that pursuant to Company Petition No. 85 of 2010 filed by the Complainant in the High Court of Gujarat seeking winding-up of the Defendant for the recovery of its dues, the Defendant has been ordered to be wound up *vide* the order of the Hon'ble High Court dated January 31, 2011, and an Official Liquidator for the same has been appointed. At present, the winding-up is in process.

(b) Actions initiated by Statutory / Regulatory Authorities

There are no actions initiated by statutory / regulatory authorities by our Promoters/Group

Companies.

(c) Tax Proceedings

There are no tax proceedings involving our Promoters/Group Companies.

(d) Other material pending litigations

There are no other material pending litigations filed by our Promoters/Group Companies.

C. Litigation involving our Directors

There is no litigation involving our Directors.

D. Litigation against any other person whose outcome may have a material adverse effect on the position of our Company

There is no litigation against any other person whose outcome may have a material adverse effect on the position of our Company.

Outstanding dues to small scale undertakings and other creditors by our Company

As of June 30, 2016, our Company had 297 creditors, to whom an aggregate amount of Rs. 594.93 Lakhs was outstanding. Based on the materiality threshold decided by our Board, as disclosed above, there are 19 material creditors of our Company. Further, an aggregate amount of Rs. 47.10 Lakhs was outstanding from our creditors who have been identified as micro enterprises and small enterprises by our Company based on available information. For complete details about outstanding dues to creditors of our Company, see www.architorg.com.

Material Developments occurring post Fiscal 2016:

There have been no material developments which are likely to affect the financial position of our Company since Fiscal 2016.

GOVERNMENT AND OTHER STATUTORY APPROVALS

Except for pending approvals mentioned under this heading, our Company has received the necessary material consents, licenses, permissions and approvals from the Government and various Government agencies required for our present business and carrying on 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.

Approvals for the Issue

Approvals of the Company

The Board of Directors of our Company has, pursuant to resolutions passed at its meeting held on July 15, 2016 authorised the Issue, subject to approval by the shareholders of our Company under section 62(1)(a) of the Companies Act, 2013.

The shareholders of our Company have, pursuant to a special resolution passed in a meeting held on August 16, 2016 under section 62(1)(a) of the Companies Act, 2013, authorised the Issue.

Approvals from Stock Exchange

Our Company has received in-principle approvals from BSE for listing of the Equity Shares offered under this Rights Issue by way of letters dated [•], 2016 respectively.

Other Approvals

CDSL: ISIN No.: INE078I01011 vide Tripartite Agreement among CDSL, our Company and Link Intime India Private Limited dated October 9, 2006.

NSDL: ISIN No.: INE078I01011 vide Tripartite Agreement among NSDL, our Company and Link Intime India Private Limited dated October 4, 2007.

Material Approvals in Relation to the Business of our Company

We have received the following significant government and other approvals pertaining to our business for our Company as on September 30, 2016:

Sr. No.	Nature of License / Approval Granted	Issuing Authority	Registration/ License No.	Date of Granting / Renewal of License/ Approval	Validity
A.	**Corporate Approvals**				
1.	Certificate of incorporation as "Shri Chlochem Limited"	The Registrar of Companies, Ahmedabad, Gujarat	No. 01-19941 of 1993-94	August 04, 1993	Until cancellation or winding up
2.	Certificate of Commencement of Business to "Shri Chlochem Limited"	The Registrar of Companies, Ahmedabad, Gujarat	Co. No. 04-19941 of 1993-94	September 23, 1993	Until cancellation or winding up
3.	Fresh Certificate of Incorporation Consequent upon Change of Name from "Shri Chlochem Limited"	The Registrar of Companies, Ahmedabad, Gujarat	L24110GJ1993PLC019941	May 19, 2012	Until cancellation or winding up

Sr. No.	Nature of License / Approval Granted	Issuing Authority	Registration/ License No.	Date of Granting / Renewal of License/ Approval	Validity
	to "Archit Organosys Limited"				
4.	Certificate of Importer- Exporter Code (IEC)	Joint Director General of Foreign Trade, Ministry of Commerce and Industry	IEC No. 0893013617	January 17, 1994	Until cancelled or surrendered
5.	Certificate of Registration for the status of Export House	Joint Director General of Foreign Trade, Ministry of Commerce and Industry	Status Holder No.: 08/14/1943/140422	April 22, 2014	March 31, 2019
6.	Registration cum Membership Certificate as a Merchant Exporter	Basic Chemicals, Cosmetics & Dyes Export Promotion Council (CHEMEXCIL)	Registration No.: CHEM/AHD/A-490-ME/16-17/15095 Membership No.: S-2765	April 06, 2016	March 31, 2021
7.	Registration under REACH Regulations to manufacture/import Choloroacetic Acid	European Chemicals Agency (ECHA)	01-2119998841-20-0000	July 30, 2013	Until cancelled or surrendered
B.	**Tax Related Approvals**				
8.	Allotment of Permanent Account Number (PAN) under the provisions of Income Tax Act, 1961	Income Tax Department, Govt. of India	AADCS0475M	N.A	Until cancelled or surrendered
9.	Allotment of Tax Deduction Account No. (TAN)	Income Tax Department, Govt. of India	AHMA11897E	July 25, 2012	Until cancelled or surrendered
10.	Certificate for Central Excise Registration (Naroda Facility)	Assistant Commissioner Central Excise & Customs	AADCS0475MXM001	June 29, 2012	Until cancelled or surrendered
11.	Certificate for Central Excise Registration (Bhavnagar Facility)	Assistant Commissioner Central Excise & Customs	AADCS0475MEM005	April 19, 2016	Until cancelled or surrendered
12.	Service Tax Registration (Form ST-2)	Superintendent (Service Tax Customs and Central Excise)	AADCS0475MST001	January 25, 2005	Until cancelled or surrendered
13.	Certificate of Registration under Central Sales Tax Act, 1956	Commercial Tax Officer, The Central Sales Tax (Registrations & Turnover) Rules, 1957	24575201682	September 30, 1993	Until cancelled or surrendered
14.	Certificate of Registration under Gujarat Sales Tax Act, 1969 and Gujarat Value Added Tax Act, 2003	Commissionerate of Commercial Tax, Commercial Tax Department, Govt. of Gujarat	24075201682	February 02, 2016	Until cancelled or surrendered
15.	Certificate of	Professional Tax	PE/C012290048	July 17, 2012	Until

Sr. No.	Nature of License / Approval Granted	Issuing Authority	Registration/ License No.	Date of Granting / Renewal of License/ Approval	Validity
	Registration Gujarat State Tax on Professions, Traders, Callings and Employments Act, 1976	Manager, Ahmedabad Municipal Corporation			cancelled or surrendered
C.	**Approvals relating to Factory Operations**				
	Naroda Facility				
16.	License to work a Factory	Directorate Industrial Safety & Health, Gujarat State	Registration No.: 1770/24297/1993; License No.: 9721; FIN No.: A01009721A	January 20,2015	December 31,2017
17.	ISO 9001:2008 - Certification for quality management to manufacture and sale of chemicals like Monochloro acetic acid & Sodium Monochloroacetate	BUREAU VERITAS Certification	IND14.8886N/Q	December 5, 2014	December 4, 2017
18.	Certificate of Registration (for Manufacture/ Distribution/ Sale/ Purchase/ Possession/ Consumption/ Storage) under Narcotic Drugs and Psychotropic Substance Act, 1985	Zonal Director, Narcotics Control Bureau	AHCD0100108	August 27, 2013	Until cancelled or surrendered
19.	Entrepreneurs Memorandum for setting up Micro, Small or Medium Enterprise (Part-II)	District Industries Center, Government of Gujarat	24-007-12-43171	July 16, 2012	Until cancelled or surrendered
20.	Licence to store compressed gas in cylinder under Petroleum & Explosives Safety Organisation (for storage of Chlorine 48 Nos)	Dy. Controller of Explosives, Petroleum Explosives Safety Organisation (PESO)	G/WC/GJ/06/1163 (G17222)	October 14, 2013 (Renewal Date)	September 30, 2018
21.	Licence to store compressed gas in cylinder under Petroleum & Explosives Safety Organisation (for storage of Chlorine 15 Nos)	Dy. Controller of Explosives, Petroleum Explosives Safety Organisation (PESO)	G/WC/GJ/06/1595 (G25447)	September 2, 2014 (Renewal Date)	September 30, 2019
22.	Licence to keep	Health Licence	Licence No.: 33	December 12,	March 31,

Sr. No.	Nature of License / Approval Granted	Issuing Authority	Registration/ License No.	Date of Granting / Renewal of License/ Approval	Validity
	Powder Chemical (Licence for Liquid and Non-liquid Acids and Chemicals)	Department, Ahmedabad Municipal Corporation	Renewal No.: 13/29	1994 (Granting Date) April 27, 2015 (Renewal Date)	2017
23.	Office Order for Transfer of Plot No. 25/9/A in favour of Archit Organosys Limited	Divisional Manager, G.I.D.C. Ahmedabad	No.: GIDC/DM/ABD/TFR//NRD/P/3790	September 21, 2013	In accordance with the terms of the Lease Deed dated April 25, 2003
24.	Office Order for Transfer of Plot No. 25/9/B in favour of Archit Organosys Limited	Regional Manager, G.I.D.C. Ahmedabad	No.: GIDC/RM/ABD/TFR//NRD/P/1293	March 24, 2014	In accordance with the Lease Deed dated Mach 21, 2005
25.	NOC by Naroda Industries Association for Transfer of Plot No. 25/9/A & B	Naroda Industries Association	NIA/NOC/74	August 16, 2013	NA
26.	Certificate evidencing the date allotting the Power connection	Uttar Gujarat Vij Company Limited (UGVCL)	Consumer No.: 26001022461	December 31, 1992	NA
	Bhavnagar Facility				
27.	Letter permitting supply of power on a contingent basis	Paschim Gujarat Vij Company Limited (PGVCL)	Ref. No.: EE/BRD/HT Esti/9811	December 23, 2015	Subject to the terms set out in the letter
28.	Letter evidencing the supply of water by Nirma Limited to Archit Organosys Limited (Bhavnagar Plant)	Nirma Limited	NA	May 09, 2015	Till the terms expires
D.	**Approvals relating to Environmental Laws**				
	Naroda Facility				
29.	Provisional Order under Section 9 of the Boilers Act, 1923 to use a Boiler pending the issue of or refusal of a certificate	Assistant Director of Boilers	Boiler Registry No.: GT-7398	August 02, 2016	February 01, 2017
30.	Consent to Establish (CTE) for setting up of Industrial Plants/ Activities under Water Act, 1974, Air Act, 1981 and	Gujarat Pollution Control Board (GPCB)	PC/CCA-BHV-1090/GPCB ID-45763/329649	October 09, 2015	August 04, 2020

Sr. No.	Nature of License / Approval Granted	Issuing Authority	Registration/ License No.	Date of Granting / Renewal of License/ Approval	Validity
	Environment (Protection) Act, 1986				
31.	Consolidated Consent and Authorisation (CC&A) under Water Act, 1974, Air Act, 1981 and Environment (Protection) Act, 1986	Gujarat Pollution Control Board (GPCB)	AWH-74148	October 30, 2015	August 10, 2020
	Bhavnagar Facility				
32.	Approval from Ministry of Environment, Forest and Climate Change (I.A. Division) for manufacturing of Synthetic Organic Chemicals	Additional Director, Ministry of Environment, Forest and Climate Change	With reference to online proposal no. IA/GJ/IND2/26591/2013 filed by the Company	November 30, 2015	Until cancelled or surrendered

Material Licenses / Approvals which are yet to be applied for:

1. For Objects of the Issue

Details of the application made / to be made for the statutory/regulatory approval required for the stated Objects of the Issue are as under:-

Sl. No.	Nature of approval applied / yet to be applied	Authority to whom it is applied for	Date of application	Current status
1.	Consent to Establish (CTE) under the Water (Prevention and Control of Pollution) Act, 1974, the Air Act, 1981 and the Environment (Protection) Act, 1986 for the manufacturing of Polyaluminium Chloride (PAC)– Bhavnagar Facility	Gujarat Pollution Control Board (GPCB)	-	Not applied for
2.	Consolidated Consent and Authorization under the Water (Prevention and Control of Pollution) Act, 1974, the Air Act, 1981 and the Environment (Protection) Act, 1986 – Bhavnagar Facility	Gujarat Pollution Control Board (GPCB)	-	Not applied for
3.	Industrial Entrepreneur Memorandum (IEM) for new production capacity – Bhavnagar Facility	Secretariat of Industrial Approval (SIA), Department of Industrial Policy & Promotion (DIPP), Ministry of Commerce and Industry,	-	Not applied for
4.	License To Work A Factory – Bhavnagar	Directorate	-	Not applied for

Sl. No.	Nature of approval applied / yet to be applied	Authority to whom it is applied for	Date of application	Current status
	Facility	Industrial Safety & Health, Gujarat State		
5.	License to store compressed gas in cylinder – Bhavnagar Facility	Dy. Controller of Explosives, Petroleum Explosives Safety Organisation (PESO)	-	Not applied for
6.	Licence to keep Powder Chemical (Licence for Liquid and Non-liquid Acids and Chemicals) – Bhavnagar Facility	Health Licence Department, Bhavnagar Municipal Corporation	-	Not applied for
7.	Registration under the Boilers Act, 1923 for the usage of boiler – Bhavnagar Facility	Divisional Inspector under the Boilers Act, 1923	-	Not applied for
8.	Registration under Gujarat Fire Prevention and Life Safety Measures Act, 2013, at Bhavnagar Facility	-	-	Not applied for

2. Others:

- Renewal of Certificate of Registration under the Bombay Shops & Establishment Act, 1949 bearing no. PII/NRL/46/0000038 dated January 02, 2015 – Piplaj Property;
- Certificate of Registration under the Bombay Shops & Establishment Act, 1949 for the Corporate Office;
- Certificate of Registration as principal employer under the Contract Labour (Regulation and Abolition) Act, 1970
- Registration under Gujarat Fire Prevention and Life Safety Measures Act, 2013, at Naroda, Facility

Licenses / Approvals which have been applied for but yet not been approved / granted:

NIL

SECTION VIII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution passed by the Board of Directors under Section 62(1)(a) and other applicable provisions of the Companies Act, at their meeting held on July 15, 2016 and by the special resolution passed by the shareholders of our Company at their Annual General Meeting held on August 16, 2016.

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

RBI Approval for Renunciation

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

Prohibition by SEBI or governmental authorities

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

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

No action has been initiated by SEBI against the entities operating in the securities market with which the Directors are associated.

Prohibition by RBI

None of our Company, the Promoters, Group Entities, have been declared or identified as wilful defaulter by the RBI or any other governmental authority.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on BSE Limited. Our Company is eligible to make the Issue in terms of Chapter IV of the ICDR Regulations.

Please note that our Company has undergone a change of control consequent to an acquisition of control by our present Promoter in May, 2005 in accordance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and is making a rights issue of its securities for the first time subsequent to such change of control in accordance with clause (3) (a) of Part E of Schedule VIII of ICDR Regulation, 2009. Therefore, the disclosures in the Draft Letter of Offer have been made in accordance with Part A of Schedule VIII of the ICDR Regulations, 2009.

Our Company is in compliance with the conditions specified in regulation 4(2) of the SEBI (ICDR) Regulations, to the extent applicable.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER TO

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

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED OCTOBER 20, 2016 WHICH READS AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**

   (a) **THE DRAFT LETTER OF OFFER FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("BOARD") 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 LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, 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 LETTER OF OFFER 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 FULFIL THEIR UNDERWRITING COMMITMENTS. - <u>NOT APPLICABLE</u>**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTER DURING THE PERIOD**

STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI UNTIL THE DATE OF COMMENCEMENT OF THE LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. - NOT APPLICABLE**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE 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 AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER 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 SECTION 40(3) OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM THE STOCK EXCHANGE MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOT APPLICABLE FOR A RIGHTS ISSUE. TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE ICDR REGULATIONS.**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE.**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE 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 LETTER OF OFFER:**

    (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 EXCERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, RISK FACTORS, PROMOTERS EXPERIENCE ETC.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE 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 LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THE ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR DATED SEPTEMBER 27, 2011. – NOT APPLICABLE FOR RIGHTS ISSUE

17. WE CERTIFY THAT THE PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THIS DRAFT LETTER OF OFFER

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

Disclaimer from the Company and the Lead Manager

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

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

Caution

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

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

Disclaimer with respect to jurisdiction

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

Designated Stock Exchange

For the purpose of this Issue, BSE shall be the Designated Stock Exchange.

Disclaimer Clause of the BSE

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

Selling Restrictions

The distribution of this Draft Letter of Offer and the issue of Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and will dispatch the Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other material relating to our Company, the Securities or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI.

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

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

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

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

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

Filing

This Draft Letter of Offer has been filed with the Corporation Finance Department of the SEBI, located at Unit No: 002, Ground Floor, SAKAR I, Near Gandhigram Railway Station, Opp. Nehru Bridge, Ashram Road, Ahmedabad, Gujarat 380009, India for its observations. After SEBI gives its observations, the Letter of Offer shall be filed with the Stock Exchange as per the provisions of the Companies Act, 2013.

Listing

The existing Equity Shares of our Company are listed on BSE. We shall apply for the in principle approval for listing of equity shares being issued in terms of this Draft Letter of Offer from the Stock Exchange where equity shares of our company are listed. We will apply to BSE for obtaining final listing and trading approvals for the Equity Shares to be issued pursuant to this Issue. If the listing and trading approvals for the Equity Shares to be issued pursuant to this Issue is not granted by any of the Stock Exchange, we shall forthwith repay, without interest, all monies received from applicants in pursuance of the Letter of Offer. We will issue and dispatch Allotment advice/ share certificates/ demat credit and/ or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. If such allotment is not made or money is not repaid within eight days from the day we become liable to repay it, we and every Director of our Company who is an officer in default shall, on and from expiry of eight days, be jointly and severally liable to pay the money with interest as prescribed under the applicable laws.

Consents

Consents in writing of our Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Auditor, Lead Manager, Legal Adviser, Registrar to the Issue, Bankers to the Company, Bankers to the Issue and Experts to act in their respective capacities have been obtained and such consents have not been withdrawn up to the date of this Draft Letter of Offer. G. K. Choksi & Co., the Auditor of our Company, have given their written consent for the inclusion of their report in the form and content appearing in this Draft Letter of Offer and such consent and report have not been withdrawn up to the date of this Draft Letter of Offer. Further, G. K. Choksi & Co., have given their written consent for the inclusion of the Statement of Tax Benefits dated October 14, 2016 in the form and content in which it appears in this Draft Letter of Offer.

Expert Opinion

We have not obtained any other expert opinion in relation to this Issue, except:

a. Report of G. K. Choksi & Co. on the restated financial statements of our Company in the form and context it appears in this Draft Letter of Offer, and
b. The report on the Statement of Tax Benefits dated October 14, 2016 received from G. K. Choksi & Co. in the form and context it appears in this Draft Letter of Offer

Issue related expenses

The total expenses of the Issue are estimated to be approximately Rs. [●] Lakhs. The expenses of the Issue include, among others, fees of the Lead Manager, fees of the Registrar to the Issue, fees of the other advisors, commission payable to SCSBs, printing and stationery expenses, advertising, travelling and marketing expenses and other expenses.

The estimated Issue expenses are as under:

Particulars	Amounts (Rs. in Lakhs)	As a percentage (%) of Total Expenses	As a percentage (%) of Total Expenses
Fees of the Lead Manager, Registrar to the Issue, Legal Advisor, Auditor's fees etc.	[●]	[●]	[●]
Statutory Advertising, Marketing, Printing & Distribution and ASBA processing fees	[●]	[●]	[●]
Regulatory fees, Filing fees, Stamp Duty, Listing Fees,	[●]	[●]	[●]

Depository Fees and other miscellaneous expenses			
Total estimated Issue expenses	[●]	[●]	[●]

Previous Issues by our Company

Our Company has not made any public or rights issue during the last five years.

Issue of Securities otherwise than for Cash

Except as disclosed in this Draft Letter of Offer under chapter entitled *'Capital Structure'* on page 45 of this Draft Letter of Offer, our Company has not made any issue of shares for consideration other than cash.

Commission or Brokerage on previous issues

Our Company has not undertaken any public issues during the last 10 years immediately preceding the date of this Draft Letter of Offer.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue during the last 10 years immediately preceding the date of this Draft Letter of Offer. Our Company does not have any listed group companies, subsidiaries and/or associates.

Outstanding Debentures/Bonds and Preference Shares

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by our Company outstanding as on the date of this Draft Letter of Offer.

Option to Subscribe

Other than as disclosed in the chapter entitled "*Capital Structure*" on page 45 of this Draft Letter of Offer, our Company has not given any person any option to subscribe for the Equity Shares.

Stock Market Data

The Equity Shares of our Company are currently listed on the BSE. For details of listing of our Equity Shares, please refer to the chapter titled "*History and Certain Corporate Matters*" beginning on page 100 of this Draft Letter of Offer.

The following tables set forth the reported high, low and average market prices of the Equity Shares of our Company on the BSE for the years 2016, 2015 and 2014.

Financial Year	Date of High	High (Rs.)	Volume on the date of High (No. of equity shares)	Date of Low	Low (Rs.)	Volume on the date of Low (No. of equity shares)	Average price (Rs.)
2016	March 11, 2016	44.40	727	June 17, 2015	8.57	700	25.12
2015	December 08, 2014	18.65	1000	July 01, 2014	6.87	901	12.57
2014	May 09, 2013	12.9	1000	February 19, 2014	9.6	2450	11.14

(Source: www.bseindia.com)

Notes

- Average price is calculated on the basis of daily closing prices.
- In case of two days with the same price, the date with higher volume has been considered.

Monthly high and low prices and trading volumes on BSE for the six months preceding the date of filing of the Draft Letter of Offer are stated below:

Month	Date of High	High (Rs.)	Volume on the date of High (No. of equity shares)	Date of Low	Low (Rs.)	Volume on the date of Low (No. of equity shares)	Average price (Rs.)
September, 2016	September 08, 2016	47.80	16,174	September 06, 2016	30.30	756	40.55
August, 2016	August 16, 2016	30.00	169	August 12, 2016	24.30	1,029	27.33
July, 2016	July 11, 2016	29.40	101	July 27, 2016	25.25	1,575	27.26
June, 2016	June 15, 2016	33.45	900	June 27, 2016	23.65	2,600	28.81
May, 2016	May 27, 2016	36.35	635	May 16, 2016	25.00	1,002	30.19
April, 2016	April 13, 2016	34.80	781	April 04, 2016	28.50	1,920	31.04

(Source: www.bseindia.com)

Notes

- Average price is calculated on the basis of daily closing prices.
- In case of two days with the same price, the date with higher volume has been considered.

The closing price of Equity Shares as on Monday, July 18, 2016 (the trading day immediately following the day on which the resolution of the Board was passed approving the Rights Issue) on the BSE was Rs. 26.95.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Change in Auditors in last 3 years

There has been no change in the Auditors of our Company during the last three years

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreements. We have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company.

Our Company has constituted a Stakeholders Relationship Committee to look into the redressal of Shareholder/ Investor complaints such as Issue of duplicate/split/consolidated share certificates, allotment and listing of shares and review of cases for refusal of transfer/transmission of shares and debentures, complaints for non receipt of dividends etc. For further details on this committee, please refer paragraph titled "*Stakeholders Relationship Committee*" of the chapter titled "*Our Management*" on page 104 of the Draft Letter of Offer. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Application Money blocked, ASBA account number and the Designated Branch or the collection centre of the SCSB where the application form was submitted by the ASBA Investor.

The following is the status of the Investor grievance complaints received from FY 2014 till FY 2016:

Particulars	Complaints Received	Complaints Resolved	Complaints Pending
FY 2016	0	0	0
FY 2015	3	3	0
FY 2014	4	4	0

As on October 20, 2016, there are no investor complaints pending against our Company.

Investor Grievances arising out of the Issue

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

The agreement between our Company and the Registrar will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors. All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio no., name and address, contact telephone / cell numbers, e-mail id of the first Applicant, number and type of Securities applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.
The average time taken by the Registrar for attending to routine grievances will be 7 to 10 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

The contact details of the Registrar and Share Transfer agent to our Company are as follows:

Link Intime India Private Limited
C-13,Pannalal Silk Mills Compound,
Lal Bahadur Shastri Marg, Bhandup (West),
Mumbai - 400078
Telephone: + 91-22-6171 5400 **Fax:** +91-22-2596 0329
Email: aol.rights@linkintime.co.in **Website:** www.linkintime.co.in
Investor Grievance Email: aol.rights@linkintime.co.in
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368
Contact Person: Mr. Dinesh Yadav

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

Ms. Ami Suthar
4th Floor, Smit Complex,
B/H, Navrangpura Post Office,
Navrangpura, Ahmedabad – 380 009
Telephone: +91-79-26563035, 26448514
Facsimile: +91-79-26564964
E-mail: share@architorg.com

Capitalization of Reserves or Profits

Our Company has not capitalized any of its reserves or profits in the last five years.

Revaluation of Assets

There has been no revaluation of assets of our Company during the last five years.

SECTION IX – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

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

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

ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non-ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process.

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

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

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on July 15, 2016 pursuant to Section 62(1)(a) of the Companies Act, 2013 and by a special resolution passed by the shareholders of our Company at their AGM held on August 16, 2016

Basis for the Issue

The Equity Shares are being offered for subscription for cash to those existing Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories for the purpose of this Rights Issue in respect of the Equity Shares held in the electronic form and on the Register of Members in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, i.e. [•] fixed in consultation with BSE.

Rights Entitlement

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

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

PRINCIPAL TERMS OF THE EQUITY SHARES ISSUED UNDER THIS ISSUE

Face Value

Each Equity Share will have the face value of ₹10 each.

Issue Price

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

Rights Entitlement Ratio

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 Equity Shares for every 1 Equity Shares held on the Record Date.

Payment Method
The issue price per Equity Share shall be payable as follows:

Amount payable per Rights Equity Share (₹)	Face Value	Premium	Total
On Application	**5.00**	[●]	[●]
***On first and Final Call**	**5.00**	[●]	[●]

** Investors shall be required to make the balance payment towards the First and Final Call Notice by the due date, which shall be separately notified by our Company.*

Note:

1. Out of the amount of ₹ [●] paid on application, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
2. Out of the amount of ₹ [●] paid on First and Final call, ₹ [●] would be adjusted towards the face value of the Rights Equity Shares and ₹ [●] shall be adjusted towards the premium of the Rights Equity Shares.
3. First and Final Call Notice shall be sent by our Company for making the payment towards the balance amount due.
4. Rights Equity Shares in respect of which the First and Final Call payable remains unpaid may be forfeited, at any time after the due date for payment of the balance amount due.

Procedure for First and Final Call Notice

The Company would convene a meeting of the Board to pass the required resolutions for making the First and Final Call and suitable intimation would be given by the Company to the Stock Exchanges. Further, advertisements for the same will be published in one (1) English national daily newspaper, one (1) Regional language daily newspaper and one (1) in Hindi national daily newspaper, all with wide circulation. The First and Final Call shall be deemed to have been made at the time when the resolution authorizing such First and Final Call is passed at the meeting of the Board. The First and Final Call may be revoked or postponed at the discretion of the Board. Pursuant to the

provisions of the Articles of Association of the Company, the Investors would be given at least fourteen (14) days' notice for the payment of the First and Final Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the First and Final Call. The calls shall be structured in such a manner that the entire First and Final Call is called within 12 months from the date of allotment of Rights Shares in this Issue. If the Investors fail to pay the First and Final Call within the due date fixed by the Board or any extension thereof, the application money already paid may be forfeited.

Record date for First and Final Call and suspension of trading

The Company would fix record date giving at least seven (7) days prior notice to the Stock Exchanges for the purpose of determining the list of Equity Shareholders to whom the notice for First and Final Call pursuant to the First and Final Call would be sent. Once the record date has been fixed, trading in the partly paid Rights Shares for which the First and Final Call has been made would be suspended prior to such Record Date that has been fixed for the First and Final Call.

Separate ISIN for Partly Paid-up Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for its partly paid-up Rights Equity Shares. The partly paid-up Rights Equity Shares offered under the Issue will be traded under a separate ISIN for the period as may be applicable under the rules and regulations prior to the record date for the First and Final Call Notice. The ISIN representing partly paid-up Rights Equity Shares will be terminated after the Record Date for the First and Final Call Notice. On payment of the First and Final Call money in respect of the partly paid-up Rights Equity Shares, such partly paid-up Rights Equity Shares would be converted into fully paid-up Equity Shares and merged with the existing ISIN for our Equity Shares.

Listing of Partly Paid-up Equity Shares

The partly paid-up Rights Shares would be listed on the Stock Exchange. For an applicable period, under the rules and regulations, prior to the record date for the First and Final Call, the trading of then existing partly paid-up Rights Shares would be terminated. The process of corporate action for crediting the partly paid-up and fully paid-up Rights Shares to the Investors' demat accounts may take about two weeks' time from the last date of payment of the account under the First and Final Call notice.

The listing and trading of the partly paid-up Rights Shares shall be based on the current regulatory framework applicable thereto. Any change in the regulatory regime would accordingly affect the schedule.

Fractional Entitlements

The Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 Equity Shares for every 1 Equity Shares held as on the Record Date. Therefor none of the Eligible Equity Shareholders shall have any fractional entitlement due to the aforesaid ratio.

Ranking

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

The voting rights in a poll, whether present in person or by representative or by proxy shall be in proportion to the paid-up value of the Shares held, and no voting rights shall be exercisable in respect of moneys paid in advance, if any.

Mode of payment of dividend

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

For further details regarding our dividend policy, please refer to the chapter titled "*Dividend Policy*" on page 122 of this Draft Letter of Offer.

Listing and trading of Equity Shares proposed to be issued

Our Company's existing Equity Shares are currently listed and traded on BSE (Scrip Code: 524640 under the ISIN – INE078I01011).

We have received "in-principle" approval for the listing of the Equity Shares to be issued pursuant to the Issue in accordance with Regulation 110 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from BSE pursuant to letter no. [●], dated [●].

The Rights Shares proposed to be issued on a rights basis shall, in terms of SEBI Circular No. CIR/MRD/DP/21 /2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Shares proposed to be issued on a rights basis shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Equity Shares shall be taken within 7 Working Days of finalization Basis of Allotment. Our Company has received in-principle approval from the BSE through letter no. [●] dated [●].

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

The listing and trading of the Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

Rights of the Equity Shareholders

Subject to applicable laws, the Eligible Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared.
- Right to attend general meetings and exercise voting powers proportionate to the amount paid-up, unless prohibited by law;
- Right to vote on poll, either in person or proxy and exercise voting power, unless prohibited by law;
- Right to receive offers for equity shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right to free transferability of shares; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act and our Memorandum of Association and Articles of Association.

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

Market Lot

The Equity Shares of our Company are tradable only in dematerialized form. The market lot for the Equity Shares in dematerialised mode is one. In case an Eligible Equity Shareholder holds Equity Shares in physical form, our Company would issue one certificate for the Equity Shares allotted to each folio (the "Consolidated Certificate"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Equity Shareholder.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association. CAF would be required to be signed by all the joint holders. In case of renunciation, joint holders will sign Part B of the CAF.

Nomination

Nomination facility is available in respect of the Securities in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014. An Investor can nominate any person by filling the relevant details in the CAF in the space provided for this purpose.

In case of Eligible Equity Shareholders who are individuals, a sole Eligible Equity Shareholder or the first named Eligible Equity Shareholder, along with other joint Eligible Equity Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the Equity Shares. A person, being a nominee, becoming entitled to the Equity Shares by reason of the death of the original Eligible Equity Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered holder of the Equity Shares. Where the nominee is a minor, the Eligible Equity Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s), in the event of death of the said holder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. When the Equity Share is held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all the holders. Fresh nominations can be made only in the prescribed form available on request at our Registered Office or such other person at such addresses as may be notified by us. In terms of Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

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

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Equity Shareholder(s) has already registered the nomination with us, no further nomination needs to be made for Equity Shares that may be allotted in this Issue under the same folio.

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

Arrangements for Disposal of Odd Lots

Our Company's Equity Shares are traded in dematerialised form only and therefore the marketable lot is 1 (One) share and hence, no arrangements for disposal of odd lots are required.

Notices

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

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue of the Equity Shares being offered under the Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is any delay in the refund of the subscription amount of more than 8 days after our Company becomes liable to pay the subscription amount (i.e. 15 days after the Issue Closing Date), our Company shall pay interest for the delayed period, at such rates as prescribed under the Companies Act, 2013.

Subscription by Promoters

The Promoter and the Promoter Group of our Company through their letters dated October 14, 2016 (the "Subscription Letters") have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue and to the extent of the unsubscribed portion of the Issue:

5. Mr. Kandarp Amin;
6. Ms. Archana Amin;
7. Mr. Archit Kandarp Amin; and
8. Mr. Suchit Kandarp Amin

Further, the Promoters and the Promoter Group may also apply for Additional Rights Shares along with their Rights Entitlement and / or renunciation.

Such subscriptions of Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding above their current percentage shareholding. Any acquisition of Additional Rights Equity Shares shall not result in change of control of the management of the Company in accordance with provisions of the SEBI Takeover Regulations and shall be exempt subject to fulfillment of the conditions of Regulation 10 of the SEBI Takeover Regulations The members of the Promoter and Promoter Group acknowledge and undertake that their investment would be restricted to ensure that the public shareholding in the Company after the Issue do not fall below the permissible minimum level as specified in Securities Contracts (Regulation) Rules, 1957 and the Listing Regulations.

In case the rights issue remains unsubscribed and/ or minimum subscription is not achieved, the Board of Directors may dispose of such unsubscribed portion in the best interest of the Company and in compliance with the applicable laws.

Underwriting to the Issue

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Procedure for Application

The CAF for Equity Shares offered as a part of the Issue would be printed for all Eligible Equity Shareholders. In case the original CAFs are not received by the Eligible Equity Shareholders or is misplaced by the Eligible Equity Shareholders, the Eligible Equity Shareholders may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID Number, Client ID Number and their full name and address. In case the signature of the Eligible Equity Shareholder(s) does not match with the specimen registered with us, the application is liable to be rejected.

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

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs, Non-Institutional Investors and Non Retail Individual Investors complying with the eligibility conditions prescribed under the SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process. All Retail Individual Investors complying with the conditions prescribed under the SEBI circular dated December 30, 2009 may optionally apply through the ASBA process. The Investors who are not (i) QIBs, (ii) Non- Institutional Investors, or (iii) Investors whose Application Money is more than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees and Eligible Equity Shareholders holding Equity Shares in physical form are not eligible ASBA Investors and must only apply for Equity Shares through the non-ASBA process, irrespective of the Application Money.

Composite Application Form ("CAF")

The Registrar to the Issue will dispatch the CAF to Eligible Equity Shareholders as per their Rights Entitlement on the Record Date. The CAF will clearly indicate the number of Equity Shares that the Eligible Equity Shareholder is entitled to. Applicants may also choose to accept the offer to participate in the Issue by making plain paper Applications. For more information, please see the heading titled "*Terms of the Issue*" at page 188 of this Draft Letter of Offer.

The CAF consists of four parts:

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

Option available to the Equity Shareholders

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

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

- Apply for his Rights Entitlement of Equity Shares in full;
- Apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part) ;
- Apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Equity Shares;
- Apply for his Rights Entitlement in full and apply for Additional Rights Equity Shares;
- Renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Equity Shares, either in full or in part without renouncing the balance by filling Part A of the CAFs and submit the same along with the application money payable to the Bankers to the Issue and any of the collection centers as mentioned on the reverse of the CAFs before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Bankers to the Issue can send their CAFs together with the cheque drawn at par on a local bank at Ahmedabad/ demand draft payable at Ahmedabad to the Registrar to the Issue by registered post / speed post so as to reach the Registrar prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF, attributable to postal delays or if the CAF is misplaced in the transit.

Applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, please see the headings "*Mode of Payment for Resident Equity Shareholders / Applicants*" and "*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*" on page 200 and 200, respectively of this Draft Letter of Offer.

Additional Rights Equity Shares

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Equity Shares shall be considered and allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under *"Terms of the Issue"* on page 188 of this Draft Letter of Offer.

If you desire to apply for Additional Rights Equity Shares, please indicate your requirement in the place provided for Additional Rights Equity Shares in Part A of the CAF. The Renouncees applying for all the Equity Shares renounced in their favour may also apply for Additional Rights Equity Shares.

Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the BSE.

Renunciation

This Issue includes a right exercisable by you to renounce the Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/ or register and Equity Shares in favour of the following Renounces: (i) more than three persons (including joint holders), (ii) partnership firm(s) or their nominee(s), (iii) minors, (iv) HUF, or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorized under its constitution or bye-laws to hold Equity Shares, as the case may be). Applications by HUFs will be treated as on par with applications by natural persons. Additionally, the Eligible Equity Shareholders may not renounce in favour of persons or entities which would otherwise be prohibited from being offered or subscribing for Equity Share or Rights Entitlement under applicable securities or other laws. Eligible Equity Shareholders may also not renounce in favour of persons or entities in the United States.

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

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

The RBI has, however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000- RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case by case

basis. Shareholders renouncing their rights in favour of OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Registered Office, the OCB shall receive the Abridged Letter of Offer and the CAF.

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

Procedure for renunciation

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

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

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

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

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

Renouncee(s)

The person(s) in whose favour the Equity Shares are renounced should fill in and sign part 'C' of the CAF and submit the entire CAF to the Bankers to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with application money in full.

Change and/or introduction of additional holders

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

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

Instructions for Options

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

Sl. No.	Options Available	Action Required
1.	Accept whole or part of Rights Entitlement without	Fill in and sign Part A (All joint holders must sign)

Sl. No.	Options Available	Action Required
	renouncing the balance.	
2.	Accept Rights Entitlement in full and apply for Additional Rights Equity Shares	Fill in and sign Part A including Block III relating to the acceptance of entitlement and Block IV relating to Additional Rights Equity Shares (All joint holders must sign)
3.	Accept a part of Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce Rights Entitlement to all the Equity Shares offered to more than one Renouncee.	Fill in and sign Part D (all joint holders must sign) requesting for SAFs. Send the CAF to the Registrars to the Issue so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. i) On receipt of the SAF take action as indicated below ii) For the Equity Shares you wish to accept, if any, fill in and sign Part A. iii) For the Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Equity Shares renounced and hand it over to the Renouncee. Each of the Renouncee should fill in and sign Part C for the Equity Shares accepted by them.
4.	Renunciation of Rights Entitlement in full to one person (Joint Renouncees are considered as one)	Fill in and sign Part B (all joint holders must sign) indicating the number of Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C (All joint Renouncees must sign)
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as a renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

- Part 'A' of the CAF must not be used by any person(s) other than the Eligible Equity Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.
- Applicants must provide information in the CAF as to their account number and the name of the bank, to enable Registrar to print the information on the refund orders where equity shares are held in physical form.
- Request for SAFs should be made for minimum of one Equity Share or, in either case, in multiples thereof and one SAF for balance Equity Shares, if any.
- Request by the Applicant for the SAFs should reach the Registrar on or before [●].
- Only the Eligible Equity Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.
- SAFs will be sent to the Applicant(s) by post at the applicant's risk.
- Eligible Equity Shareholders shall not renounce in favour of persons or entities in the United States or who would otherwise be prohibited from being offered or subscribing for Equity Shares or Rights Entitlement under applicable securities laws.
- While applying for or renouncing their Rights Entitlement, joint Eligible Equity Shareholders must sign the Application Form or SAF in the same order and as per specimen signatures recorded with our Company/ Depositories.

- Applicants must write their CAF numbers at the back of the cheque / demand draft.

- Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad shall be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of Application Money, Allotment of Equity Shares, interest, export of share certifications, etc. In case a Non-Resident or NRI Eligible Equity Shareholder has specific approval from the RBI, in connection with his shareholding , he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

- The RBI has mandated that CTS 2010 standard non-compliant cheques can be presented in clearing only in reduced frequency, specifically once a week, on Mondays of every week from November 1, 2014 onwards. This would have an impact on timelines for the issuance of final certificates, hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Applicant, the Registrar to the Issue will issue a duplicate CAF on the request of the Applicant who should furnish the registered folio number/ DP and Client ID and his/ her full name and address to the Registrar to the Issue. Please also note that shareholder has an option to print the duplicate CAF from the website of the Registrar to the Issue (Website: www.linkedin.com) by providing his / her folio. no. / DP ID / Client ID to enable the shareholder to apply for the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue at least seven (7) days prior to the Issue Opening Date. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Applicant violates such requirements, he / she shall face the risk of rejection of either original CAF or both the applications. Neither our Company nor the Registrar or the Lead Manager to the Issue will be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper

An Eligible Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque/ demand draft, net of bank and postal charges payable at Ahmedabad and the Investor should send the same by registered post directly to the Registrar to the Issue. For further details on the mode of payment, please see the headings "*Mode of Payment for Resident Equity Shareholders / Applicants*" and "*Mode of Payment for Non-Resident Equity Shareholders/ Applicants*" on page 200 and 200 respectively of this Draft Letter of Offer. Applications on plain paper from any address outside India will not be accepted.

The envelope should be super-scribed Archit Organosys Limited – Rights Issue" and should be postmarked in India. The application on plain paper, duly signed by the applicant(s) including joint holders, in the same order as per specimen recorded with our Company, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of the issuer being Archit Organosys Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID Number;

4. Number of Equity Shares held as on Record Date;

5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

6. Allotment option preferred – physical or demat form, if held in physical form;

7. Number of Equity Shares entitled to;

8. Number of Equity Shares applied for;

9. Number of Additional Rights Equity Shares applied for, if any;

10. Total number of Equity Shares applied for;

11. Total application amount paid at the rate of ₹ [●] per Equity Share;

12. Particulars of cheque/ demand draft;

13. Savings/Current Account Number and name and address of the bank where the Applicant will be depositing the refund order. In case of Equity Shares held in dematerialized form, the Registrar shall obtain the bank account details from the information available with the Depositories.

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number of the Applicant and for each Applicant in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue. Documentary evidence for exemption to be provided by the applicants;

15. Signatures of Eligible Equity Shareholders to appear in the same sequence and order as they appear in the records of our Company or Depositories ;

16. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the demand draft confirming that the demand draft has been issued by debiting the NRE/FCNR/NRO account.

17. For ASBA Investors, application on plain paper should have details of their ASBA Account.

18. Additionally, non-resident Applicants shall include the representation in writing that:

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

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

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

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

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

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Equity Shareholders violates such requirements, he/she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Applicant without any interest thereon.

Last date for Application

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

If the CAF together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose off the Equity Shares hereby offered, as provided under paragraph titled "Basis of Allotment" in this chapter titled "*Terms of the Issue*" on page 188 of this Draft Letter of Offer.

Modes of Payment

Investors are advised to use CTS cheques or use the ASBA facility to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected due to any delay in clearing beyond six Working Days from the Issue Closing Date.

Mode of payment for Resident Equity Shareholders / Applicants

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "Archit Organosys Limited – Rights Issue-R" crossed 'A/c Payee only' and should be submitted along with the CAF to the Bankers to the Issue/ Collecting Bank or to the Registrar on or before Issue Closing Date;

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque/ demand draft for the full Application Money, net of bank and postal charges drawn in favour of "Archit Organosys Limited – Rights Issue - R", crossed 'A/c Payee only' and payable at Ahmedabad directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super-scribed "Archit Organosys Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

Mode of payment for Non-Resident Equity Shareholders / Applicants

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

1. Individual non-resident Indian Applicants who are permitted to subscribe for Securities by applicable local securities laws can obtain application forms from the following address:
   Link Intime India Private Limited
   C-13,Pannalal Silk Mills Compound,
   Lal Bahadur Shastri Marg, Bhandup (West),
   Mumbai - 400078
   Telephone: + 91-22-6171 5400 **Fax:** +91-22-2596 0329
   Email: aol.rights@linkintime.co.in **Website:** www.linkintime.co.in
   Investor Grievance Email: aol.rights@linkintime.co.in
   SEBI Registration Number: INR000004058
   CIN: U67190MH1999PTC118368
   Contact Person: Mr. Dinesh Yadav

- Applications will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Securities may be restricted by applicable securities laws.

- Non-resident investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with Demand Draft for the full application amount, net of bank and postal charges drawn in favour of "Archit Organosys Limited – Rights Issue-NR", crossed 'A/c Payee only' payable at Mumbai directly to the Registrar by registered post so as to reach them on or before the Issue Closing Date. The envelope should be super scribed "Archit Organosys Limited – Rights Issue". Our Company or the Registrar will not be responsible for postal delays or loss of applications in transit, if any.

- Payment by non-residents must be made by demand draft payable at Mumbai / cheque drawn on a bank account maintained at Mumbai or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

- By Indian Rupee drafts purchased from abroad and payable at Mumbai or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

- By cheque / bank drafts remitted through normal banking channel or out of funds in Non-Resident External Account (NRE) or FCNR Account maintained with banks authorised to deal in foreign currency in India, along with documentary evidence in support of remittance;

- By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at Mumbai;

- FIIs registered with SEBI must utilise funds from special non-resident rupee account;

- Non-resident investors with repatriation benefits should draw the cheques/ demand drafts in favour of "Archit Organosys Limited – Rights Issue", crossed "A/c Payee only" for the full Application Money, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

- As far as non-residents holding Securities on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account maintained in Mumbai or Rupee Draft purchased out of NRO Account maintained elsewhere in India but payable at Mumbai. In such cases, the Allotment of Securities will be on non-repatriation basis.

- Non-resident investors without repatriation benefits should draw the cheques/demand drafts in favour of "Archit Organosys Limited – Rights Issue-NR", crossed "A/c Payee only" for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Bankers to the Issue/collection centres or to the Registrar;

- Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRE accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

- An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate

status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Equity Shares can be remitted outside India, subject to tax, as applicable according to the IT Act.

- In case Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Collecting Bank indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by RBI / Government of India as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Procedure for Application through the Applications Supported by Blocked Amount ("ASBA") Process

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

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

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

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

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

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

Equity Shareholders who are eligible to apply under the ASBA Process

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

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

CAF

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

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

Acceptance of the Issue

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

Additional Securities

You are eligible to apply for Additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply for Securities under applicable law and you have applied for all the Equity Shares offered without renouncing them in whole or in part in favour of any other person(s). Applications for Additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the BSE and in the manner prescribed under "*Terms of the Issue*" on page of this Draft Letter of Offer.

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

Renunciation under the ASBA Process

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

Mode of payment

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

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

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

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

Please note that in accordance with the provisions of the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIBs and Non-Institutional Investors complying with the eligibility conditions prescribed under SEBI circular no. SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

Options available to the Eligible Equity Shareholders applying under the ASBA Process

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

Option Available	Action Required
Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF (All joint holders must sign)
Accept your Rights Entitlement in full and apply for Additional Rights Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Securities (All joint holders must sign)

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

Application on Plain Paper

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

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

- Name of Issuer, being Archit Organosys Limited;
- Name and address of the Eligible Equity Shareholder including joint holders;
- Registered Folio Number/ DP and Client ID No.;
- Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

- Number of Equity Shares held as on Record Date;
- Number of Equity Shares entitled to;
- Number of Equity Shares applied for;
- Number of Additional Rights Equity Shares applied for, if any;
- Total number of Equity Shares applied for;
- Total amount paid at the rate of ₹ [●] per Equity Share;
- Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;
- In case of non-resident investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
- Except for applications on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
- Signature of the Eligible Equity Shareholders to appear in the same sequence and order as they appear in our records; and
- Additionally, all such Eligible Equity Shareholders applying through ASBA are deemed to have accepted the following:

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

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

Option to receive Equity Shares in Dematerialized Form

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

General instructions for Eligible Equity Shareholders applying under the ASBA Process

a) Please read the instructions printed on the respective CAF carefully.

b) Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer, Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

c) The CAF in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Bankers to the Issue/Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to our Company or the Registrar or the Lead Manager to the Issue.

d) All Eligible Equity Shareholders, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the IT Act, irrespective of the amount of the application. Except for applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Eligible Equity Shareholders for which PAN details have not been verified shall be "suspended for credit" and no allotment and credit of Securities pursuant to the Issue shall be made into the accounts of such Eligible Equity Shareholders.

e) All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Eligible Equity Shareholders must sign the CAF as per the specimen signature recorded with our Company/or Depositories.

g) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/ Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

h) All communication in connection with application for the Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

i) Only the person or persons to whom the Equity Shares have been offered and not renouncee(s) shall be eligible to participate under the ASBA process.

j) Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Securities under applicable securities laws are eligible to participate.

k) Only the Eligible Equity Shareholders holding securities in demat are eligible to participate through the ASBA process.

l) Eligible Equity Shareholders who have renounced their entitlement in part/ full are not entitled to apply using the ASBA process.

m) Please note that pursuant to the applicability of the directions issued by SEBI vide its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Eligible Equity Shareholders who are QIBs, Non-Institutional Eligible Shareholders and other Eligible Equity Shareholders whose application amount exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. The Eligible Equity Shareholders who are not (i) QIBs, (ii) Non-Institutional Eligible Shareholders or (iii) investors whose application amount is more than ₹ 2,00,000, can participate in the Issue either through the ASBA process or the non ASBA process.

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

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

n) In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under the section "*Terms of the Issue*" on page 188 of the Draft Letter of Offer.

Do's:

a) Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in.

b) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Securities will be allotted in the dematerialized form only.

c) Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

d) Ensure that there are sufficient funds (equal to {number of Securities as the case may be applied for} X {Issue Price of Securities, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

g) Except for CAFs submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Eligible Shareholder should mention their PAN allotted under the IT Act.

h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

i) Ensure that the Demographic Details are updated, true and correct, in all respects.

j) Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

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

b) Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

c) Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

d) Do not send your physical CAFs to the Lead Manager / Registrar / Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

e) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

f) Do not apply if the ASBA account has been used for five Eligible Shareholders.

g) Do not apply through the ASBA Process if you are not an ASBA Eligible Shareholder.

h) Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "*Grounds for Technical Rejection for non-ASBA Investors*" on page of this Draft Letter of Offer, applications under the ABSA Process are liable to be rejected on the following grounds:

I. Application on a SAF (unless all the SAFs are used by the original shareholder).

II. Application for allotment of Rights Entitlements or additional Securities which are in physical form.

III. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

IV. Sending an ASBA application on plain paper to the Registrar.

V. Sending CAF to Lead Manager / Registrar / Collecting Bank (assuming that such Collecting Bank is not a SCSB) / to a branch of a SCSB which is not a Designated Branch of the SCSB / Company.

VI. Renouncee applying under the ASBA Process.

VII. Submission of more than five CAFs per ASBA Account.

VIII. Insufficient funds are available with the SCSB for blocking the amount.

IX. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

X. Account holder not signing the CAF or declaration mentioned therein.

XI. CAFs that do not include the certification set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdiction and is authorized to acquire the rights and the securities in compliance with all applicable laws and regulations.

XII. CAFs which have evidence of being executed in/dispatched from any restricted jurisdiction.

XIII. QIBs, Non-Institutional Investors and other Eligible Equity Shareholders applying for Securities in this Issue for value of more than ₹ 2,00,000 who hold Equity Shares in dematerialised form and is not a Renouncer or a Renouncee not applying through the ASBA process.

XIV. Application by an Eligible Shareholder whose cumulative value of Securities applied for is more than `2,00,000 but has applied separately through split CAFs of less than ₹ 2,00,000 and has not done so through the ASBA process.

XV. Multiple CAFs, including cases where an Eligible Shareholder submits CAFs along with a plain paper application.

XVI. Submitting the GIR instead of the PAN.

XVII. An Eligible Equity Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

XVIII. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

XIX. ASBA Bids by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

XX. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.

XXI. Non-Institutional Investors who have a bank account with an SCSB providing ASBA facility in the location of the Non-Institutional Investors and the application by the Non-Institutional Investors is not made through that SCSB providing ASBA facility in such location.

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

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

THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

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

These Demographic Details would be used for all correspondence with such Eligible Equity Shareholders including mailing of the letters intimating unblocking of bank account of the respective Eligible Equity Shareholder. The Demographic Details given by the Eligible Equity Shareholders in the CAF would not be used for any other purposes by the Registrar. Hence, Eligible Equity Shareholders are advised to update their Demographic Details as provided to their Depository Participants.

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

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

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

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

Issue Schedule

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

The Board of Directors of our Company, may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

Basis of Allotment

Subject to the provisions contained in the Draft Letter of Offer, Letter of Offer, the Articles of Association of our Company and the approval of the BSE, the Board will proceed to Allot the Equity Shares in the following order of priority:

a. Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Equity Shares renounced in their favour, in full or in part.

b. Allotment to the Eligible Equity Shareholders who applied for all the Equity Shares offered to them as part of the Issue and has also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity shares held by them on a Record Date, provided there is an under- subscribed portion after making full Allotment in (a) and (b) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and will not be a preferential Allotment.

c. Allotment to Renouncees who having applied for all the Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The allotment of such Equity Shares will be at the sole discretion of our Board/ Committee of Directors in consultation with the BSE, as a part of the Issue and not preferential Allotment.

d. Allotment to any other person that our Board/Committee of Directors as it may deem fit provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

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

Upon approval of the Basis of Allotment by the BSE, the Registrar of the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Securities in the Issue, along with:

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

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ share certificates / demat credit and/or letters of regret along with refund order or credit the allotted Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

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

In case of those Investors who have opted to receive their Rights Entitlement in dematerialized form using electronic credit under the depository system, advice regarding their credit of the Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding share certificates will be kept ready within one month from the date of Allotment thereof or such extended time as may be approved by our Company Law Board under Section 56 of the Companies Act or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the share certificates.

The letter of allotment / refund order would be sent by registered post / speed post to the sole / first Investors registered address. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked "Account Payee only" and would be drawn in favour of the sole/first Investors.

Adequate funds would be made available to the Registrar to the Issue for this purpose. The letter of allotment / Intimations would be sent by ordinary post.

In the case of non-resident Eligible Equity Shareholders or Investors who remit their Application Money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the approval of the RBI, in case of non-resident Eligible Equity Shareholders or Applicants who remit their Application Money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made net of bank charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post to the address in India of the non-resident Eligible Equity Shareholders or Investors.

Payment of Refund

Mode of making refunds

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

1. NECS – Payment of refund would be done through NECS for Applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories/the records of the Registrar to the Issue. The payment of refunds is mandatory for Investors having bank account at any centre where NECS facility has been made available (subject to availability of all information for crediting the refund through NECS).

2. NEFT – Payment of refund shall be undertaken through NEFT wherever the Investor's bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the registrar to our Company or with the depository participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method. Our Company in consultation with the Lead Manager may decide to use NEFT as a mode of making refunds.

3. Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS – If the refund amount exceeds ₹ 2 Lakhs, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through ECS or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Investors.

5. For all other Investors the refund orders will be dispatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Applicant and payable at par.

6. Credit of refunds to Applicants in any other electronic manner permissible under the banking laws which is in force, and is permitted by the SEBI from time to time.

Refund payment to Non- residents

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

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

Printing of Bank Particulars on Refund Orders

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

Allotment advice / Share Certificates/ Demat Credit

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

Option to receive Equity Shares in Dematerialised Form

Investors shall be allotted the Equity Shares in dematerialized (electronic) form at the option of the Applicant. Our Company has signed a tripartite agreement with NSDL on October 4, 2007 which enables the Investors to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on October 9, 2006 which enables the Applicants to hold and trade in Equity Shares in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

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

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALIZED FORM.

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

1. Open a beneficiary account with any Depository Participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. For Eligible Equity Shareholders already holding Equity Shares of our Company in dematerialized form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Equity Shares arising out of this Issue may be made in dematerialized form even if the original Equity Shares of our Company are not dematerialized. Nonetheless, it

should be ensured that the depository account is in the name(s) of the Applicants and the names are in the same order as in the records of our Company/Depositories.

3. The responsibility for correctness of information (including Applicant's age and other details) filled in the CAF vis-à-vis such information with the Applicant's Depository Participant, would rest with the Applicant. Applicants should ensure that the names of the Applicants and the order in which they appear in CAF should be the same as registered with the Applicant's Depository Participant.

4. If incomplete / incorrect beneficiary account details are given in the CAF, the Applicant will get Equity Shares in physical form.

5. The Equity Shares allotted to applicants opting for issue in dematerialized form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the applicant's Depository Participant will provide to him the confirmation of the credit of such Equity Shares to the applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

General instructions for non-ASBA Applicants

a) Please read the instructions printed on the enclosed CAF carefully.

b) Application should be made on the printed CAF, provided by our Company except as mentioned under the paragraph titled "Application on Plain Paper" under this chapter titled "*Terms of the Issue*" on page 188 of this Draft Letter of Offer and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Applicants, details of occupation, address, father's / husband's name must be filled in block letters.

The CAF together with the cheque / demand draft should be sent to the Bankers to the Issue/Collecting Bank or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Applicants residing at places other than cities where the branches of the Bankers to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft payable at Mumbai of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is / are detached or separated, such application is liable to be rejected.

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

c) Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Applicants, and in the case of application in joint names, each of the joint Investors should mention his / her PAN number allotted under the I.T Act, 1961, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

d) Investors, holding Securities in physical form, are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to print the said details in the refund orders, if any, after the names of the payees. Application not containing such details is liable to be rejected.

e) All payment should be made by cheque or demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

f) Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company.

g) In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum of Association and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be a furnished again. In case these papers are sent to any other entity besides the Registrar or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Bankers to the Issue.

h) In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company/Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

i) Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares, as the case may be, shall, inter alia, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, in the matter of refund of application money, Allotment of Equity Shares, interest, export of share certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in any jurisdiction where the offer or sale of the Rights Entitlements and issue of Equity Shares of our Company may be restricted by applicable securities laws.

j) All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar prior to the Allotment Date in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the Allotment Date, should be sent to the Registrar and transfer agents of our Company, in the case of Equity Shares held in physical form and to the respective depository participant, in case of Equity Shares held in dematerialized form.

k) SAFs cannot be re-split.

l) Only the person or persons to whom Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

m) Investors must write their CAF number at the back of the cheque /demand draft.

n) Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the bankers clearing house located at the centre indicated on the reverse of the CAF where the application is to be submitted.

o) A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be rejected. The Registrar will not accept payment against application if made in cash.

p) No receipt will be issued for application money received. The Bankers to the Issue / Escrow Collection Banks/ Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

q) The distribution of this Draft Letter of Offer and issue of Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard this Draft Letter of Offer and not to attempt to subscribe for Equity Shares.

r) Investors shall be given an option to get the Equity Shares in demat or physical form.

s) Investors are requested to ensure that the number of Securities applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors:

a) Check if you are eligible to apply i.e. you are an Eligible Equity Shareholder on the Book Closure Date.

b) Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

c) In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Equity Shares will be allotted in the dematerialized form only.

d) Ensure that your Indian address is available to us and the Registrar and transfer agent, in case you hold the Equity Shares in physical form or the depository participant, in case you hold Equity Shares in dematerialised form.

e) Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

f) Ensure that you receive an acknowledgement from the collection branch of the Bankers to the Issue for your submission of the CAF in physical form.

g) Ensure that you mention your PAN allotted under the IT Act with the CAF, except for Applications on behalf of the Central and the State Governments, residents of the state of Sikkim and officials appointed by the courts.

h) Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

i) Ensure that the demographic details are updated, true and correct, in all respects.

Don'ts for non-ASBA Investors:

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

b) Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Bankers to the Issue.

c) Do not pay the amount payable on application in cash, by money order or by postal order.

d) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

e) Do not submit Application accompanied with stock invest.

f) Do not submit CAF having the colour of ink specified for another class of Eligible Equity Shareholders.

Grounds for Technical Rejection for non-ASBA Investors

Applicants are advised to note that applications are liable to be rejected on technical ground, including the following:-

1. Amount does not tally with the amount payable;

2. Bank account details (for refund) are not provided or available with the depositories or Registrar to the Issue, as the case maybe;

3. Age of Applicant(s) not given (in case of renouncees);

4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN number not given for application of any value;

5. PAN allotted under the IT Act has not been mentioned by the applicant.

6. If the signature of the Applicant does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories;

7. CAFs are not submitted by the Applicants within the time prescribed as per the CAF and the Draft Letter of Offer;

8. CAFs not duly signed by the sole / joint Applicants;

9. CAFs/ SAFs by OCBs not accompanied by a copy of an RBI approval to apply in this Issue;

10. Submission of the CAFs to SCSBs;

11. Submission of plain paper Application to person other than Registrar;

12. CAFs accompanied by stock invest/ outstation cheques/ post-dated cheques/ money order/ postal order/outstation demand drafts;

13. In case no corresponding record is available with the depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID;

14. CAFs that do not include the certifications set out in the CAF to the effect that the subscriber does not have a registered address (and is not otherwise located) in any restricted jurisdictions and is authorized to acquire the Rights Entitlements and Securities in compliance with all applicable laws and regulations;

15. CAFs which have evidence of being executed in/dispatched from restricted jurisdictions;

16. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where an Indian address has not been provided;

17. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements;

18. In case the GIR number is submitted instead of the PAN;

19. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories;

20. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application;

21. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹ 2,00,000, not through ASBA process;

22. Application by an Eligible Equity Shareholder whose cumulative value of Equity Shares applied for is more than ₹ 2,00,000 but has applied separately through SAFs of less than ₹ 2,00,000 and has not been undertaken through the ASBA process.

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

Investment by FPIs and FIIs

In terms of the SEBI FPI Regulations, the issue of Securities to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Director followed by a special resolution passed by the shareholders of our Company. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until the expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or sub-account has expired or is about to expire, such FII or sub-account may subject to payment of conversion fees as applicable under the SEBI FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

The existing individual and aggregate investment limits for Eligible QFIs in an Indian company are 5% and 10% of the paid-up capital of an Indian company, respectively. In terms of the FEMA Regulations, a QFI shall not be eligible to invest as a QFI upon obtaining registration as an FPI. However, all investments made by a QFI in accordance with the regulations, prior to registration as an FPI shall continue to be valid and taken into account for computation of the aggregate limit.

Investment by NRIs

Investments by NRIs are governed by the portfolio investment scheme under Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI vide its circular no. CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Securities for an amount exceeding ₹ 2,00,000 shall mandatorily make use of ASBA facility.

Procedure for Applications by Mutual Funds

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

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

Impersonation

As a matter of abundant caution, attention of the Applicants is specifically drawn to the provisions 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"*

which states that "Without prejudice to any liability including repayment of any debt under this Act or any other law for the time being in force, any person who is found to be guilty of fraud, shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud: Provided that where the fraud in question involves public interest, the term of imprisonment shall not be less than three years."

Dematerialized dealing

Our Company has entered into agreements dated October 4, 2007 and October 9, 2006 with NSDL and CDSL, respectively, and its Equity Shares bear the ISIN INE078I01011.

Payment by stock invest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the Stock invest Scheme has been withdrawn with immediate effect. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of application and application money

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

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

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Equity Shares allotted, will be refunded to the Applicant within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

Our Board of Directors declares that:

a) All monies received out of this Issue shall be transferred to a separate bank account.

b) Details of all monies utilized out of the Issue shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remain unutilised under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies has been utilized.

c) Details of all such unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested, and

d) Our Company will utilize the funds collected in the Issue only once the Basis of Allotment is finalized by the BSE.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
2. All steps for completion of the necessary formalities for listing and commencement of trading at BSE, Stock Exchange where the Equity Shares are to be listed will be taken within seven working days of finalization of basis of Allotment.

3. The funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. Except as disclosed in section titled "Capital Structure" in this Draft Letter of Offer, no further issue of securities affecting our Company's equity capital shall be made till the Securities issued/ offered in the Issue are listed or till the application money are refunded on account of non-listing, under-subscription etc.

6. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

7. Adequate arrangements shall be made to collect all ASBA applications and to consider them similar to non-ASBA applications while finalising the basis of Allotment.

8. At any given time there shall be only one (1) denomination for the Equity Shares of our Company.

9. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Important

Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected.

All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed (quoting the Registered Folio Number/ DP and Client ID, the CAF number and the name of the first Eligible Equity Shareholder as mentioned on the CAF and super scribed "Archit Oorganosys Limited- Rights Issue on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Link Intime India Private Limited
C-13,Pannalal Silk Mills Compound,
Lal Bahadur Shastri Marg, Bhandup (West),
Mumbai - 400078
Telephone: + 91-22-6171 5400 **Fax:** +91-22-2596 0329
Email: aol.rights@linkintime.co.in **Website:** www.linkintime.co.in
Investor Grievance Email: aol.rights@linkintime.co.in
SEBI Registration Number: INR000004058
CIN: U67190MH1999PTC118368
Contact Person: Mr. Dinesh Yadav

The Issue will remain open for a minimum 15 days. However, the Board of Directors will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date.

MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION OF OUR COMPANY

Pursuant to Table F of Schedule I to the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of our Articles relating, inter alia, to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

Article Number	Particular
CAPITAL	
3(a)	The Authorised Share Capital of the Company will be as that specified in Clause V of the Memorandum of Association from time to time in accordance with the regulations of the Company and the legislative provision for the time being in force in this behalf and power to divide the Share Capital into Equity Share Capital or Preference Share Capital and to attach thereto respectively, any preferential, qualified or special rights, privileges or conditions, and to vary, modify and abrogate the same in such manner as may be determined by or in accordance with these presents PROVIDED HOWEVER that where any Government has made an order under sub-section 4 of Section 62 of the Companies Act, 2013 directing that any debenture issued by the Company or loan taken by the Company or any part thereof shall be converted into shares of the Company and no appeal has been preferred to the Tribunal under sub-section (4) of Section 62 of the Companies Act,2013 or where such appeal has been dismissed, the memorandum of the Company shall, where such order has the effect of increasing the Authorised Share Capital, stand altered and the Authorised Share Capital of the Company shall stand increased by an amount equal to the amount of the value of the shares into which such debentures or loans or part thereof has been converted.
3(b)	The holders of Preference Shares shall be entitled to be paid out of the profits which the Directors shall determine to distribute by way of dividend, a fixed cumulative preferential dividend at such rates as maybe fixed by the Company (free of Company's tax but subject to deduction of tax at source at the prescribed rate), on the amount credited as paid up thereon and to the right, on winding up, to be paid all arrears of preferential dividend, whether earned or declared or not, down to the commencement of winding up, and also to be repaid the amount of capital paid or credited as paid up on the Preference Shares held by them respectively in priority to any payment in respect of Equity Shares, but shall not be entitled to any other rights in the profits or assets of the Company. Subject as aforesaid and to the rights of the holders of any other shares entitled by the terms of issue to preferential repayment over the Equity Shares, in the event of the winding up of the Company, the holders of the Equity Shares shall be entitled to be repaid the amounts of capital paid up or credited as paid up on such shares and all surplus assets thereafter shall belong to the holders of the Equity Shares in proportion to the amount paid up or credited as paid up on such Equity Shares respectively at the commencement the winding up.

3(c) Subject to the provisions of Section 80 of the Companies Act, 1956 (as may be applicable) and Section 55 of the Companies Act, 2013 (as may be applicable) the following provisions shall apply in regards to redemption of Cumulative Preference Shares:

(i) The Company may subject to the terms of issue at any time but in any event not later than twenty years from the issue of shares apply any profits or monies of the Company which may be lawfully applied for the purpose in the redemption of the preference shares at par together with a sum equal to arrears of dividend thereon down to the date of redemption.

(ii) In the case of any partial redemption under sub-clause (c)(i) of this Article, the Company shall for the purpose of ascertaining the particular shares to be redeemed, cause a drawing to be made at the office or at such other place as the Directors may decide, in the presence of a representative of the Auditors for the time being of the Company.

(iii) Forthwith after every such drawing the Company shall give to the holders of the shares drawn for redemption notice in writing of the Company's intention to redeem the same fixing a time (not less than three months thereafter) and the place for the redemption and surrender of the shares to be redeemed.

(iv) At the time and place so fixed each holder shall be bound to surrender to the Company the Certificate for his shares to be redeemed and the Company shall pay to him the amount payable in respect of such redemption and where any such Certificate comprises any shares which have not been drawn for redemption, the Company shall issue to the holder thereof a fresh Certificate thereof.

3(d) Subject to the provisions of the Articles, the Company shall be entitled to create and issue further Preference Shares ranking in all or any respects paripassu with the said Preference Shares, PROVIDED in the event of its creating and/or issuing Preference Shares in future, ranking paripassu with the Preference Shares proposed to be issued, the Company would do so only with the consent of the holders of not less than three-fourths of the Preference Shares then outstanding.

3(e) The Redeemable Cumulative Preference Shares shall not confer on the holders thereof the right to vote either in person or by proxy at any general meeting of the Company save to the extent and in the manner provided by Section 47(2) of the Companies Act, 2013.

3(f) The rights, privileges and conditions for the time being attached to the Redeemable Cumulative Preference Shares may be varied, modified or abrogated in accordance with the provisions of these Articles and of the Act.

Increase of capital

4(a) The Company in general meeting may, by ordinary resolution from time to time, increase the capital by creation of new shares of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe, and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at general meeting of the Company in conformity with Sections 47 and 5of the Companies Act, 2013.

4(b) Whenever the capital of the Company has been increased under the provisions of this Article the Company shall file with the Registrar notice of the increase of capital as required by Section 64 of the Companies Act, 2013 within thirty days of the passing of the resolution authorising the increase, or of the receipt of the order of the Government or consequent upon an order made by the Government under Section 62 of the Companies Act, 2013.

Capital of two kinds only.

5. Neither the original capital nor any increased capital shall be more than two kinds, namely (i) Equity Share Capital and (ii) Preference Share Capital, as defined in Section 43 of the Companies Act, 2013.

New Capital same as existing capital

6. Except in so far as otherwise provided by the conditions of issue or by these Articles any capital raised by creation of new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Redeemable Preference Shares.

7. Subject to the provisions of Section 55 of the Companies Act, 2013, the Company shall have the power to issue Preference Shares which are or at the option of the Company are to be liable to the redeemed and the resolution authorising such issue shall prescribe the manner, terms and conditions of redemption

Provisions to apply on Issue of Redeemable Preference Shares

8. On the issue of Redeemable Preference Shares under the provisions of Article 7 hereof and subject to the provisions of the Act, the following provisions shall take effect :

8(a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption.

8(b) No such shares shall be redeemed unless they are fully paid.

8(c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's Securities Premium Account, before the shares are redeemed.

8(d) Where such shares are proposed to be redeemed out of the profits of the Company, there shall out of such profits, be transferred to a reserve fund to be called 'The Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares to be redeemed and the provisions of the Companies Act, 2013 relating to the reduction of the Share Capital of the Company shall, except as provided in Section 55 of the Companies Act, 2013, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

8(e) Subject to the provisions of Section 55 of the Companies Act, 2013, the redemption of Preference Shares hereunder may be effected in accordance with the terms and conditions of their issue and in the absence of any specific terms and conditions in that behalf, in such manner as the Directors may think fit.

Reduction of Capital

9. The Company may from time to time by special resolution, subject to confirmation by the Court or the Tribunal (as may be applicable) and subject to the provisions of Sections 52, 55 and 66 of the Companies Act,2013 and other applicable provisions, if any, reduce its share capital in any manner and in particular may –

9(a) extinguish or reduce the liability on any of its shares in respect of the share capital not paid-up; or

9(b) either with or without extinguishing or reducing the liability on any of its shares, -

(i) cancel any paid up share capital which is lost or is unrepresented by available assets;

(ii) pay off any aid up share capital which is in excess of the wants of the Company.

Buy Back of Shares

9A Notwithstanding anything contained in these Articles, the Company may purchase its own shares or other securities, and the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.

Increase of Share Capital

10 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.

Consolidation, division, subdivision and cancellation of shares

10A Subject to the provisions of Section 61 of the Companies Act, 2013, the Company in general meeting may from time to time by an ordinary resolution alter its Memorandum to:

10(a) Consolidate and divide all or any of its capital into shares of larger amount than its existing shares;

10(b) Sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum, so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived;

10(c) 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 and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company does any one or more of the things provided for in the foregoing sub-clauses (a),(b) and (c), the Company shall, within thirty days thereafter give notice thereof to the Registrar as required by Section 64 of the Companies Act, 2013 specifying, as the case may be, the shares consolidated, divided, sub-divided or cancelled.

Modification of rights

11 Whenever the share capital of the Company, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Companies Act, 2013, be varied with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or by means of a special resolution passed at a separate general meeting of the holders of shares of that class, and all the provisions hereafter contained as to general meetings shall, mutatis mutandis, apply to every such meeting. This Article is not to derogate from any power the Company would have if this Article was omitted. Provided that if variation by one class of shareholders of the Company affects the rights of any other class of

Shareholders of the Company, the consent of three-fourths of such other class of shareholders shall also be obtained and the provisions of this Article shall apply to such variation. The rights conferred upon the holders of the shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall unless otherwise expressly provided by the terms of the issue of shares of that class be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking paripassu therewith.

SHARES, DEBENTURES, OTHER SECURITIES AND CERTIFICATES

Register And Index Of Members

12 The Company shall cause to be kept and maintained a Register of Members, register of debenture-holders, and a register of any other security holders in accordance with all applicable provisions of the Companies Act,2013 and the Depositories Act, 1996 with details of shares, debentures, or other securities held in material and dematerialised forms in any media as may be permitted by law including in any form of electronic media. The Company is authorised to, if so required by the Company, maintain a part of its register of members, register of debenture holders and / or register of any other security holders outside India (such part of the relevant register shall be called the **"Foreign Register"**) and such Foreign Register shall contain the names and particulars of the members, debenture holders, other security holders or beneficial owners (as the case may be)

Dematerialisation

12A(1) Notwithstanding anything to the contrary contained in these Articles, the Company shall be entitled to dematerialise and rematerialise its existing shares, debentures and other securities and/or to offer its fresh shares, debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the rules framed there under, if any, and the register and index of beneficial owners maintained by the relevant Depository under section 11 of the Depositories Act, 1996, shall be deemed to be the corresponding register and index maintained by the Company.

Options for Investors

12A(2) Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is a 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 of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in the records the name of the allottee as the beneficial owner of the security.

Securities withDepositories to be in fungible form

12(3) All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in sections89 and 112 and such other applicable provisions of the Companies Act, 2013 shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.

Rights of Depositories and Beneficial Owners

12(4) (a) Notwithstanding anything to the contrary contained in the Companies Act, 1956, the Companies Act, 2013or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of securities on behalf of the beneficial owner.

(b) Save and otherwise provided in (a) 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.

(c) 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 rights and benefits and be subject to all liabilities in respect of the securities held by a Depository on behalf of the beneficial owner.

Service of Documents

12(5) Notwithstanding anything contained in the Companies Act, 1956, the Companies Act, 2013 or these Articles to the contrary, where securities are held with a Depository the records of the beneficial ownership may be served by such Depository on the Company by means of registered post or by speed post or by courier service or by leaving it at its Registered Office or by means of such electronic or other mode as may be prescribed.

Transfer of Securities

12(6) Nothing contained in Section 56 of the Companies Act, 2013, or these Articles shall apply to transfer of securities issued by the Company, effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

Allotment of Securities dealt with in a Depository

12(7) Notwithstanding anything contained in Section 56 of the Companies Act, 2013 or these Articles, where securities issued by the Company are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive numbers of Securities held with a Depository

12(8) Nothing contained in Section 56 of the Companies Act, 2013 or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company, shall apply to securities held with a Depository.

Restriction on Allotment and Return of Allotment

13 The Board of Directors shall observe the restrictions as to allotment of shares to the public contained in Section 39 of the Companies Act, 2013, as well as any other applicable provisions of the Act, and shall cause to be made the returns as to allotment provided for in Section 39 of the Companies Act, 2013 and/or as maybe prescribed under the Act.

Further Issue of capital

14(1) Where at any time, it is proposed to increase the subscribed capital of the Company by issue of further shares, such further shares shall be offered;

(a) to the persons who, at the date of the offer, are holders of the Equity Shares of the Company in

proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions namely:

(i) Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined. Such 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;
(ii) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause(i) hereof shall contain a statement of this right,

PROVIDED THAT the Directors may decline, without assigning any reason, to allot any shares to any person in whose favour any member may renounce the shares offered to him;
(iii) After the expiry of the time specified in the aforesaid notice, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the Company.
(b) to the employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed

14(2) Notwithstanding anything contained in sub-clause (1) hereof, the further shares aforesaid may be offered to any persons, if a special resolution to that effect is passed by the Company in general meeting, whether or not those persons include the persons referred to in sub-clause (1) (a) hereof, either for cash or for a consideration other than cash in accordance with the provisions of Section 62 of the Companies Act, 2013 (and the rules made there under) and in accordance with applicable rules and regulations prescribed by SEBI in this regard from time to time.

14(3) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the debentures issued or the terms of any loans raised by the Company to convert such debentures or loans into shares in the Company. PROVIDED that the terms of issue of such debentures or terms of such loan containing such an option have been approved before the issue of such debentures or the raising of such loan by a special resolution passed by the Company in a general meeting.

14(4) Notwithstanding anything contained in sub-clause (3) above, where any debentures have been issued or loan has been obtained from any Government by the Company, and if that Government considers it necessary in the public interest so to do, it may, by order, direct that such debentures or loans or any part thereof shall be converted into shares in the Company on such terms and conditions as appear to the Government to be reasonable in the circumstances of the case even if terms of the issue of such debentures or the raising of such loans do not include a term for providing for an option for such conversion.
Provided that where the terms and conditions of such conversion are not acceptable to the Company, it may, within sixty days from the date of communication of such order, appeal to the Tribunal which shall after hearing the Company and the Government pass such order as it deems fit.

14(5) In determining the terms and conditions of conversion under sub-clause (4), the Government shall have due regard to the financial position of the Company, the terms of issue of debentures or loans, as the case may be, the rate of interest payable on such debentures or loans and such other matters as it may consider necessary.

14(6) Where the Government has, by an order made under sub-clause (4), directed that any debenture or loan or any part thereof shall be converted into shares in the Company and where no appeal has been preferred to the Tribunal under sub-clause (4) or where such appeal has been dismissed, the Memorandum of the Company shall, where such order has the effect of increasing the authorised share capital of the Company, be altered and the authorised share capital of the Company shall stand increased by an amount equal to the amount of the value of shares which such debentures or loans or part thereof has been converted into.

Share under control of Directors

15 Subject to the provisions of these Articles and of the Act, the shares 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 subject to the sanction of the Company in a general meeting to give any person the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount subject to the provisions of Sections 52, 53,54 and 58 of the Companies Act, 2013 and for such time and for such consideration as the Directors think fit.

Application of premium received on shares

16(1) Where the Company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares shall be transferred to an account, to be called "THESECURITIES PREMIUM ACCOUNT" and the provisions of the Companies Act, 2013 relating to reduction of share capital of the Company shall, except as provided in this Article, apply as if the securities premium account were the paid-up share capital of the Company.

16(2) Notwithstanding anything contained in clause (1) above but subject to the provisions of Section 52 of the Companies Act, 2013, the securities premium account may be applied by the Company-

(a) towards the issue of unissued shares of the Company to the members of the Company as fully paid bonus;

(b) in writing off the preliminary expenses of the Company;

(c) in writing off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the Company;

(d) in providing for the premium payable on the redemption of any redeemable preference shares or of any debentures of the Company; or

(e) for the purchase of its own shares or other securities under Section 68 of the Companies Act, 2013.

17 In addition to and without derogating from the powers for that purpose conferred on the Board under Articles15 and 16, the Company in a General Meeting may, subject to the provisions of Section 62 of the Companies Act, 2013 and 108A of the Companies Act, 1956, determine that any shares (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) as such General Meeting shall determine and with full power to give any person whether a member or not the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52, 53 and 54 of the Companies Act, 2013) such option being exercisable at such time and for such consideration as may be directed by such General Meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.

Shares at a discount

18 Except as provided in Section 54 of the Companies Act, 2013, the Company shall not issue shares at a discount. Any share issued by the Company at a discounted price shall be void.

Installments on shares to be duly paid

19 If by the conditions of any allotment of any share, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the shares or his legal representatives.

20 Subject to the provisions of the Companies Act, 2013 and these Articles, the Board may allot and issue shares in the capital of the Company as payment of any property sold or transferred or for service rendered to the Company in the conduct of its business and any shares which may be so issued shall be deemed to be fully paid up shares.

Acceptance of shares

21 Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles; and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purpose of these Articles, be a member.

Deposit and Call

22 The money (if any) which the Board of Directors shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Liability of Members

23 Every member, or his heirs, executors or administrators to the extent of his assets which come to their hands shall be liable to pay to the Company the portion of the capital represented by his share or shares which may, for the time being remain unpaid thereon in such amounts, at such time or times and in such manner as the Board of Directors shall from time to time require or fix for the payment thereof.

Share Certificates

24(a) Every member or allottee of shares shall be entitled, without payment, to receive one Certificate for all the shares of the same class registered in his name. Every Share Certificate shall specify the number and the distinctive number(s) of the shares in respect of which it was issued and the amount paid up thereon. Such certificate shall be issued only in pursuance of a Resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in case of issues against letters of acceptance or of renunciation or in case of issue of bonus shares.

PROVIDED THAT if the letter of allotment is lost or destroyed the Board may impose such reasonable terms, if any, as it thinks fit, as to evidence and indemnity and the payment of out-of-pocket expenses incurred by the Company in investigating the evidence. The certificate of title to shares shall be issued under the Seal of the Company and shall be signed in conformity with the provisions of the Companies (Share Capital and Debenture) Rules, 2014 or any statutory modification or re-enactment thereof for the time being in force. Printing of blank forms to be used for issue of Share Certificates and maintenance of books and documents relating to issue of Share Certificates shall be in accordance with the provisions of aforesaid rules. Such certificates of title to shares shall be completed and kept ready for delivery within such time frame as may be prescribed in this regard after the allotment.

24(b) Any two or more joint allottees or holders of shares shall, for the purpose of this Article, be treated as a single member and the certificate of any share, which may be the subject to joint ownership, may be delivered to any one of such joint owners on behalf of all of them.

25 No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn, or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilised unless the certificate in lieu of which itis issued is surrendered to the Company

PROVIDED THAT no fee shall be charged for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

PROVIDED FURTHER that in case of any Share Certificate being lost or destroyed the Company may issue a duplicate certificate in place of the Certificate so lost or destroyed on such terms as to evidence, out-of-pocket expenses in regard to investigation of such evidence and indemnity as the Board may determine.

Sub-division of shares

25A Notwithstanding anything contained in Article 25, the Board of Directors may refuse applications for sub division of Share Certificate into denominations of less than the marketable lot for the time being in force ,except when such sub-division is required to be made to comply with a statutory order or an order of a competent court of law or to remedy a genuine mistake of fact or law.

PROVIDED THAT the Directors may, at their discretion, in case of genuine needs, allow sub-division of share certificates in denomination of less than the marketable lots, and may, if necessary, require production of suitable documentary evidence therefore.

The first named jointholders deemed sole holder

26 If any share stands in the names of two or more persons the first named in the Register shall, as regards receipts of dividends or bonus or service of notice or any other matter connected with the Company, except voting at meetings and the transfer of the shares, be deemed the sole holder thereof but the joint holders of a share shall severally as well as jointly be liable for the payment of all installments and calls due in respect of such share, and for all incidents thereof according to the provisions of the Act.

Company not bound to recognise any interest in share other than of Registered Holder

27 Except as ordered by a court / Tribunal of competent jurisdiction or as by law required, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the beneficial owner thereof and accordingly shall not be bound to recognise any be nami trust, or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any two or more persons or the survivor or survivors of them.

Nomination

27A Notwithstanding anything contained hereinabove, a Member has a right to nominate one or more persons as his/her nominee(s) to be entitled to the rights and privileges as may be permitted under the law of such a member in the event of death of the said member/s subject to the provisions of the Companies Act, 2013, and other applicable laws

Declarations in respect of beneficial interest in any share

28 When any declaration is filed with the Company under the provisions of Section 89 of the Companies Act,2013, (i) by any holder of shares who does not hold beneficial interest in such share specifying the particulars of the person holding beneficial interest in such shares, or (ii) by a person who holds or acquires a beneficial interest in any share of the Company specifying the nature of his interest, particulars of the person in whose name the shares stand registered in the books of the Company and such other particulars as may be prescribed, the Company, or (iii) by the person referred to in (i) and the beneficial owner referred to in (ii) where any change occurs in the beneficial interest of such shares, the Company shall make a note of such declaration in its concerned register and file, within 30 days from the date of receipt of the declaration by it, a return with the Registrar with regard to such declaration together with the prescribed fees for the same.

No purchase or giving of loans to purchase Company's shares

29 Save as provided in Section 67 of the Companies Act, 2013, the Company shall not have the power to buy its own shares unless the consequent reduction of share capital is effected under the provisions of the Companies Act, 2013. The Company shall not give, whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of, or in connection with, a purchase or subscription made or to be made, by any person of or for any share in the Company or in its holding Company.

INTEREST OUT OF CAPITAL

32 Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings, or the provisions of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by the Act, and may charge the same to Capital as part of the cost of construction of the work or building or the provisions of the plant.

CALLS

Directors may make Calls

33 Subject to the provisions of Section 49 of the Companies Act, 2013, the Board of Directors may, from time to time, by a Resolution passed at a meeting (and not by a Circular Resolution), make such calls as it thinks fit upon the members in respect of all monies unpaid on the shares held by them (whether on account of the nominal value of the shares or by way of premium), and not by conditions of allotment thereof made payable at fixed time. Each member shall pay the amount of every call so made on him to the person or persons andat the time and place appointed by the Board of Directors. A call may be made payable by installments. A call may be postponed or revoked as the Board may determine.

Notice of Calls

34 At least fourteen days' notice in writing of any call shall be given by the Company specifying the time or times and place of payment, and the person or persons to whom such call shall be paid.

Call to date from Resolution

35 A call shall be deemed to have been made at the time when the resolution authorising such call was passed at a meeting of the Board of Directors and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Board of Directors.

Directors may extend Time

36 The Board of Directors may, from time to time at its discretion, extend the time fixed for the payment of any call, and may extend such times as to all or any of the members who on account of residence at a distance or other cause, the Board of Directors may deem fairly entitled to such extension; but no member shall be entitled to such extension as of right except as a matter of grace and favour.

Amount payableat fixed time or byinstallments to betreated as calls

37 If by the terms of issue of any share or otherwise any amount is or becomes payable at any fixed time or by installments at fixed times (whether on account of the nominal amount of the shares or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or installment accordingly.

When interest on call or installment payable

38 If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof the holder for the time being or allottee of the share in respect of which the call shall have been made or the installment shall be due, shall pay interest on the same at such rates as may be fixed by the Board of Directors from the day appointed for the payment thereof to the time of actual payment but the Directors may, in their absolute discretion, waive payment of such interest wholly or in part.

Evidence in actionsby Company againstshareholders

39 On the trial or hearing of any action or suit brought by the Company against any member or his legal representatives for the recovery of any monies claimed to be due to the Company for any call in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered is entered in the Register of Members as the holder or as one of the holders of the shares at or subsequent to the date at which the money sought to be recovered is alleged to have become due, on the shares in respect of which such money is sought to be recovered that the resolution making the call is duly recorded in the minute book and that notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever and the proof of the matters aforesaid shall be conclusive evidence of the debt.

Partial payment not to preclude forfeiture

40 Neither a judgment nor a decree in favour of the Company for the calls or other monies due in respect of any shares 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 share, 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 thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.

Payment in anticipation of calls may carry interest

41 The Board of Directors may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for and upon the monies so paid in advance or so much thereof from time to time as exceeds the amount of the calls then made upon shares in respect of which such advances are made, the Board of Directors may pay or allow interest, at such rate not exceeding, unless the Company in general meeting shall otherwise direct, nine per cent per annum as the member paying the sum in advance and the Board of Directors agree upon. The Board of Directors may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to such members three months' notice in writing. The member paying any such sum in advance shall not be entitled to dividend or to participate in the profits of the Company or to voting rights in respect of the monies so paid by him until the same would, but for such payment, become presently payable. Provided however and notwithstanding the aforesaid and subject to applicable law, the Company may pay dividends in proportion to the amount paid up on each share.

LIEN

Company to have lien on shares

42 The Company shall have a first and paramount lien upon all shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all monies (whether presently payable or not), called or payable at a fixed time in respect of such shares and no equitable interests in any such share shall be created except upon the footings and condition that this Article is to have full legal effect. Any such lien shall extend to all dividends from time to time declared in respect of shares.

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 Article.

Transfer of shares sold under lien

44(1) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

44(2) The Purchaser shall be registered as the holder of the shares comprised in any such transfer.

44(3) 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.

Application of proceeds of sale

45(1) The net proceeds of any such sale shall be received by the Company and applied in or towards such part of the amount in respect of which the lien exists as is presently payable; and

45(2) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).

FORFEITURE OF SHARES

46 If any member fails to pay any call or any installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

If call or installment not paid, notice may be given

47 For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable upon such share on the day of allotment.

Form of notice

48 The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment and such interest thereon at such rate and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.

If default of payment, shares to be forfeited

49 If the requirements of any such notice as aforesaid are not complied with, every or any share in respect of which such notice has been given, may at any time thereafter, before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a Resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other monies payable in respect of the forfeited shares and not actually paid before the forfeiture

Notice of forfeiture to a member

50 When any share shall have so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register of Member, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

Forfeited share to be the property of the Company and may be sold etc.

51 Any share so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of, either to the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit. The Board may decide to cancel such shares.

Member still liable topay money owing at the time of forfeiture and interest

52 Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment, at such rate not exceeding twelve per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such monies or any part thereof, if it thinks fit, but shall not be under any obligation so to do.

Effect of forfeiture

53 The forfeiture of a share shall involve extinction at the time of the 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, except only such of those rights as by these Articles are expressly saved.

Power to annul Forfeiture

54 The Board of Directors may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

Validity of forfeiture

55(1) A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Manager or Secretary of the Company, and that a share in the Company has been duly forfeited in accordance with these Articles, 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;

55(2) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

55(3) The person to whom such share is sold, re-allotted or disposed off shall thereupon be registered as the holder of the shares;

55(4) Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interest or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment;

55(5) Such purchaser or allottee 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, re-allotment or other disposal of the share.

Provision of these Articles as to forfeiture to apply in case of nonpayment of any sum

56 The provisions of these Articles 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.

Cancellation of share certificates in respect of forfeited shares

57 Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the Certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the persons entitled thereto.

Surrender of shares

58 The Directors may, subject to the provisions of the Companies Act, 2013, accept a surrender of any share from or for any member desirous of surrendering on such terms as they think fit.

TRANSFER AND TRANSMISSION OF SHARES

Register of Transfers

59 The Company shall keep a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share and debenture held in material form

Transfer and Transmission of Shares and Securities held in electronic form

60 In the case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act, 1996 shall apply.

Form of Transfer

60A The instrument of transfer of any share shall be in the prescribed form and in accordance with the requirements of Section 56 of the Companies Act, 2013.

61(1) An application for the registration and transfer of the shares in the Company may be made either by the transferor or the transferee.

61(2) Whether the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

61(3) For the purpose of sub-clause (2), above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

To be executed by transferor and transferee

62 Every such instrument of transfer duly stamped shall be executed by or on behalf of both the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such shares until the name of the transferee shall have been entered in the Register of Members in respect thereof.

Transfer by legal Representative

63 A transfer of a share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution to the instrument of transfer.

Transfer books when Closed

64 The Board of Directors may, after giving not less than seven days' previous notice by advertisement as required by Section 91 of the Companies Act, 2013 or such lesser period as may be specified by the Securities Exchange Board of India close the Transfer Books, the Register of Members or the Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year as it may seem expedient to the Board.

Directors may refuse to register transfers

65(a) Subject to the provisions of Sections 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force, the Directors may, at any time, in their own absolute and uncontrolled discretion decline to register or acknowledge any transfer of any share for sufficient cause and in particular may so decline in any case in which the Company has a lien upon the shares desired to be transferred or any call or installment regarding any of them remains unpaid. The registration of a transfer shall be conclusive evidence of the approval of the Directors of the transferee.

PROVIDED THAT registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except in a lien on shares.

65(b) No share shall in any circumstances be transferred to any minor, insolvent or person of unsound mind, unless represented by a guardian.

Notice of refusal to be given to transferor and transferee

66 If the Company refuses to register the transfer of any securities or transmission of any right therein, the Company shall within thirty days from the date on which the instrument of transfer or intimation of transmission was lodged with the Company send notice of refusal along with sufficient cause to the transferee and the transferor or to the person giving intimation of the transmission, as the case may be, and thereupon the provisions of Section 58 of the Companies Act, 2013, or any statutory modification thereof for the time being in force shall apply.

Death of one or more joint-holders of shares

67 In case of the death of any one or more persons named in the Register of Members as the joint holders of any share, the survivor or survivors shall be the only persons recognised by the Company as having any title to or interest in such share, but 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.

Titles to shares of deceased member

68 Except where a deceased member had made a nomination in respect of the shares held (in which case such shares shall be dealt with in the manner prescribed by the Act and the Rules thereunder), the executors or administrators of a deceased member or the holder of a succession certificate or the legal representatives in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the names of such member, and the Company shall not be bound to recognise such executors or administrators or holders of a succession certificate of the legal representative unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration, or Succession Certificate as the case may be, from a duly constituted Court in the Union of India provided that in any case where the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise as the Directors may deem proper dispense with production of Probate or Letters of Administration or Succession Certificate and register under Article 71 the name of any person who claims to be absolutely entitled to the shares standing in the name of the deceased member, as a member.

Registration of persons entitled to shares otherwise than by transfer (Transmission Clause)

69 Subject to the provisions of Articles 68 and 69 any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by and lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as the Board of Directors shall require and upon giving such indemnity as the Directors shall require, either be registered as a member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors registered as a member in respect of such shares PROVIDED NEVERTHELESS that if such person shall elect to have his nominee registered, he shall testify his election by executing in favour of his nominee as instrument of transfer in accordance with the provision herein contained, and until he does so, he shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

Refusal to register Nominee

70 Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse to register a person entitled by transmission to any share or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Directors entitled to refuse to register more than four joint holders

71 The Company shall be entitled to decline to register more than four persons as the holders of any share.

Persons entitled may receive dividend without being registered as member

72 A person entitled to a share by transmission shall subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other monies payable in respect of the share.

Conditions of registration of transfer

73 Prior to the registration of a transfer, the certificate or certificates of the share or shares to be transferred, and if no such certificate is in existence, the Letter of Allotment of the shares, must be delivered to the Company along with (save as provided in Section 56 of the Act) a properly stamped and executed instrument of transfer, with the date of presentation of the instrument to the proper authorities, duly endorsed thereon.

No fee on transfer or Transmission

74 No fee shall be charged for registration of transfer, grant of Probate, Succession Certificate and Letters of Administration, Certificates of Death or Marriage, Power of Attorney or similar other documents.

The Company not liable for disregard of a notice prohibiting registration of a transfer

75 The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing in the register of members to the prejudice of persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be give to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book or the Company, but the Company shall nevertheless, be at liberty to regard and attend to any such notice, and give effect thereto if the Board of Directors shall so think fit.

COPIES OF MEMORANDUM AND ARTICLES OF ASSOCIATION TO BE SENT TO MEMBERS

76 The Company shall subject to the payment of the fee prescribed under Section 17 of the Companies Act,2013, or its statutory modification for the time being in force, on being so required by a member, send to him with seven days of the requirement, a copy of each of the following documents as in force for the time being.

(a) The Memorandum,

(b) The Articles, and

(c) Every agreement and every resolution referred to in sub-section (1) of Section 117 of the Companies Act, 2013, if and in so far as they have not been embodied in the Memorandum of the Company or these Articles.

BORROWING POWERS

77 Subject to the provisions of Sections 179 to 180 of the Companies Act, 2013 and of these Articles, the Board of Directors may, from time to time at its discretion, accept deposits from members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company from any source. PROVIDED HOWEVER, where the monies to be borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by this Article 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 this Article had been exceeded.

The payment or repayment of monies borrowed

78 The payment or repayment of monies borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a Resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of debentures of Debenture-Stock of the Company, charged upon all or any part of the property of the Company, (both present and future), including its uncalled capital for the time being, and the debentures and the Debenture-Stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.

Terms of issue of Debentures

79 Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination, and with any privileges and conditions as to redemption, surrender, drawing allotment of shares, attending (but not voting)at general meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting.

Mortgage of uncalled Capital

80 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Register of charges etc.to be kept

81 The Board of Directors shall cause a proper register to be kept in accordance with the provisions of Section85 of the Companies Act, 2013 of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of Sections 71 and Sections 77 to 87 (both inclusive) of the Companies Act, 2013, in that behalf to be duly complied with, so far as they are to be complied with by the Company. The Company shall comply with the provisions of Section 79 of the Companies Act, 2013 as regards modification of a charge and its registration with the Registrar.

Register and Index of Debenture-holders

82 The Company shall, if at any time it issues debentures, keep a Register and Index of Debenture Holders in accordance with Section 88 of the Companies Act, 2013. The Company shall have the power to keep in any State or Country outside India a branch Register of Debenture-holders resident in the State or country.

DOCUMENTS AND NOTICES

Service of documents or notices on members by the Company

211(1) A document or notice may be served by the Company on any member thereof either personally or by sending it by registered post or by speed post or by courier service or by leaving it at his registered address or if he has no registered address in India, to the address if any, within India supplied by him to the Company for serving documents or notice on him or by means of such electronic or other mode as may be prescribed.

211(2) A document or notice advertised in a newspaper circulating in the neighborhood of the registered office of the Company shall be deemed to be duly served on the day on which the advertisement appears, on every member of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of notices to him.

211(3) A document or notice may be served by the Company on the joint holders of a share by serving it on the joint holder named first in the Register in respect of the share.

211(4) A document or notice may be served by the Company on the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter, addressed to them by name or by title of representatives of the deceased, or assignees of the insolvent or by any like description, at the address, if any, in India supplied for the purpose by the person claiming to be so entitled, or until such an address has been so supplied, serving the document or notice in any manner in which it might have been served if the death or insolvency had not occurred.

211(5) The signature to any document or notice to be given by the Company may be written or printed or lithographed.

To whom documents must be served or given

212 Document or notice of every general meeting shall be served or given in the same manner herein before authorised on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company, PROVIDED that when the notice of the meeting is given by advertising the same in newspaper circulating in the neighborhood of the office of the Company under Article 93 a statement of material facts referred to in Article 93 need not be annexed to the notice, as is required by that Article, but is shall merely be mentioned in the advertisement that the statement has been forwarded to the members of the Company.

Members bound by documents or notices served on or given to previous holders

213 Every person who by operation of law, transfer or other means whatsoever, has become entitled to any share shall be bound by every document or notice in respect of such share, which prior to his name and address being entered on the Register of Members, shall have been duly served on or give to the person from whom he derived his title to such share.

Service of documents on Company

214 A document may be served on the Company or an officer thereof by sending it to the Company or officer at the registered office of the Company by Registered Post or by speed post or by courier service or by leaving it at its registered office or by means of such electronic or other mode as may be prescribed:
Provided that where securities are held with a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic or other mode.

Service of documents by Company on the Registrar

215 Save as provided in the Act or the rules made thereunder for filing of documents with the Registrar in electronic mode, a document may be served on the Registrar or any member by sending it to him at his office by post or by Registered Post or by speed post or by courier or delivering it to or leaving it for him at his office, or by such electronic or other mode as may be prescribed.
Provided that a member may request for delivery of any document through a particular mode, for which he shall pay such fees as may be determined by the Company in its annual general meeting. The term ‘‘courier’’ means a person or agency which delivers the document and provides proof of its delivery.

Authentication of documents and proceedings

216 Save as otherwise expressly provided in the Act, a document or proceeding requiring authentication by the Company or contracts made on behalf of the Company may be signed by any key managerial personnel or other officer of the Company duly authorised by the Board of the Company and need not be under the Common Seal of the Company.

REGISTERS AND DOCUMENTS

217 The Company shall keep and maintain Registers, Books and Documents as required by the Act or these Articles, including the following :

(1) Register of Investments made by the Company but not held in its own name, as required by Section187(3) of the Companies Act, 2013, and shall keep it open for inspection by any member or debenture holder of the Company without charge.

(2) Register of Mortgages and Charges and copies of instrument creating any charge requiring registration according to Section 85 of the Companies Act, 2013, and shall keep them open for inspection by any creditor or member of the Company without fee and for inspection by any person on payment of a fee of rupee ten for each inspection.

(3) Register and Index of Members as required by Section 88 of the Companies Act, 2013, and shall keep the same open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of a fee of rupees fifty for each inspection.

(4) Register and Index of Debenture Holders or Security Holders under Section 88 of the Companies Act,2013, and keep it open for inspection during business hours, at such reasonable time on every working day as the Board may decide by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of rupees fifty for each inspection.

(5) Foreign Register, if so thought fit, as required by Section 88 of the Companies Act, 2013, and it shall be open for inspection and may be closed and extracts may be taken there from and copies thereof as maybe required in the manner, mutatis mutandis, as is applicable to the Principal Register.

(6) Register of Contracts with related parties and companies and firms etc. in which Directors are interested as required by Section 189 of the Companies Act, 2013, and shall keep it open for inspection at the registered office of the Company during business hours by any member of the Company. The Company shall provide extracts from such register to a member of the Company on his request, within seven days from the date on which such request is made upon the payment of fee of ten rupees per page.

(7) Register of Directors and Key Managerial Personnel etc., as required by Section 170 of the Companies Act,2013 and shall keep it open for inspection during business hours and the members of the Company shall have a right to take extracts there from and copies thereof, on a request by the members, be provided to them free of cost within thirty days. Such register shall also be kept open for inspection at every annual general meeting of the Company and shall be made accessible to any person attending the meeting.

(8) Register of Loans, Guarantee, Security and Acquisition made by the Company as required by Section 186(9) of the Companies Act, 2013. The extracts from such register may be furnished to any member of the Company on payment of fees of ten rupees for each page.

(9) Books recording minutes of all proceedings of general meeting and all proceedings at meetings of its Board of Directors or of Committee of the Board in accordance with the provisions of Section 118 of the Companies Act, 2013.

(10) Copies of Annual Returns prepared under Section 92 of the Companies Act, 2013, together with the copies of certificates and documents required to be annexed thereto.

Provided that any member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register referred to sub-clause (3), (4) or (5), or the entries therein or the copies of annual returns referred to in sub-clause (10) above on payment of a fee of ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

WINDING UP

Distribution of assets

218 if the Company shall be wound up, and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in the proportion to the capital paid up or which ought to have been paid up at the commencement of the winding up, on the shares held by them respectively, and if in a winding up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind

219(1) If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may, with the like sanction, vest any part of the assets of the Company in Trustees upon such trusts for the benefit of the

contributories or any of them as a Liquidator, with such sanction shall think fit.

219(2) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed) by the Memorandum of Association and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined upon, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights as if such determination were a special resolution passed pursuant to Section 319 of the Companies Act, 2013.

219(3) In case any shares to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said shares may within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the Liquidator shall if practicable act accordingly.

Right of shareholders in case of sales

220 A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319 of the Companies Act, 2013 may subject to the provisions of the Act in like manner as aforesaid, determine that any shares or other consideration receivable by the Liquidator be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said sanction.

INDEMNITY

Director's and other's rights to indemnity

221 Subject to provisions of Section 197 of the Companies Act, 2013, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor, shall be indemnified by the Company against and it shall be the duty of the Directors out of the funds of the Company to pay all costs, charges, losses and damages which any such person may incur or become liable to, by reason of any contract entered into or act or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such if any as he shall incur or sustain through or by his own wrongful act, neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under Section 463 of the Companies Act, 2013 in which relief is granted to him by the Court.

Director, Officer not responsible for acts of others

222 Subject to the provisions of Section 197 of the Companies Act, 2013, no Director, Auditor or other Officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or Officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for insufficiency or deficiency of any of any security in or upon which any of the monies of the Company shall be invested, or for any loss or damages arising from insolvency or tortuous act of any person, firm or Company to or with whom any monies, securities or effects shall be entrusted or deposited or any loss occasioned by any error of judgment, omission, default or oversight on his part or for any other loss, damage, or misfortune whatever which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same shall happen through his own dishonesty.

SECRECY CLAUSE

223 Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required, by the Director, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy and confidentiality in respect of all transactions and affairs of the Company and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions, in these presents contained.

224 No member or other person (not being a Director) shall be entitled to visit or inspect any property or premises of the Company without the permission of the Directors or Managing Director or to require discovery of or any information respecting any detail of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process, or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Director; it would be inexpedient in the interest of the Company to disclose.

SECTION X – STATUTORY AND 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 our Company or entered into more than two years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10:00 A.M. to 5:00 P.M. on all working days from the date of this Draft Letter of Offer until the Issue Closing Date.

A. Material contracts for inspection:

1. Engagement letter dated July 20, 2016 appointing Vivro Financial Services Private Limited to act as Lead Manager to the Issue.

2. Issue agreement dated September 29, 2016 between our Company and Vivro Financial Services Private Limited.

3. Agreement dated September 29, 2016 between our Company and Link Intime India Private Limited to act as Registrar to the Rights Issue.

4. Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Escrow Collection Banks.

5. Tripartite agreement dated October 09, 2006 between our Company, CDSL and Link Intime India Private Limited.

6. Tripartite agreement dated October 04, 2007 between our Company, NSDL and Link Intime India Private Limited.

B. Material documents for inspection:

1. Certified true copy of the Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of Incorporation dated August 04, 1993 issued by Registrar of Companies, Ahmedabad, Gujarat.

3. Fresh Certificate of Incorporation dated May 19, 2012 consequent upon change of name issued by Registrar of Companies, Ahmedabad, Gujarat.

4. Resolution of the Board of Directors passed in its meeting dated July 15, 2016 in relation to this Issue and other related matters.

5. Resolutions of our shareholders passed by AGM dated August 16, 2016 in relation to this Issue and other related matters.

6. Copy of a resolution passed by our Board dated [●] finalizing the Issue Price, Record Date and the Rights Entitlement Ratio.

7. Consents of our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, Statutory Auditor, Lead Manager, Legal Advisor to the Issue, the Registrar to the Issue and Bankers to our Company to include their names in this Draft Letter of Offer and to act in their respective capacities.

8. Letter dated October 14, 2016 from the Statutory Auditors of our Company, G. K. Choksi & Co., Chartered Accountants, confirming the Statement of Possible Tax Benefits available to our Company and its Shareholders as disclosed in this Draft Letter of Offer.

9. The Report of the Auditor being, G. K. Choksi & Co., Chartered Accountants, as set out herein dated October 14, 2016 in relation to the Restated Financial Statements of our Company for financial year ended on March 31, 2016, 2015, 2014, 2013 and 2012 and for three months ended June 30, 2016.

10. Annual Reports of our Company for the financial year ended on March 31, 2016, 2015, 2014, 2013 and 2012 and Audited Report for three months ended June 30, 2016.

11. Agreements with the lenders of unsecured loans dated May 24, 2016.

12. Due Diligence certificate dated October 20, 2016 from Vivro Financial Services Private Limited.

13. In-principle listing approval dated [●] from BSE.

14. Observation Letter No. [●] dated [●],issued by SEBI for the present Rights Issue.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Equity Shareholders, subject to compliance with applicable law.

SECTION XI- DECLARATION

We hereby certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act or the rules made thereunder or regulations issued thereunder, as the case may be. We further certify that all the legal requirements connected with the Issue as also the regulations, guidelines, instructions, etc., issued by SEBI, the Government of India and any other competent authority in this behalf, have been duly complied with. We further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

_____

Mr. Kandarp Krishnakant Amin
(Chairman & Whole-time Director)

_____

Ms. Archana Kandarp Amin
(Whole-time Director)

_____

Mr. Bhupendra Vishnuprasad Mehta
(Independent Director)

_____

Mr. Haresh Kanaiyalal Shah
(Independent Director)

_____

Mr. Rajendraprasad J. Shah
(Independent Director)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

_____

Mr. Bharatkumar Motibhai Shrimali
(Chief Financial Officer)

Date: October 20, 2016
Place: Ahmedabad