

**DRAFT PROSPECTUS**

Dated: June 30, 2022

Please read Section 26 and 32 of the

Companies Act, 2013

Fixed Price Issue

**ARABIAN PETROLEUM LIMITED**  
CIN: U23200MH2009PLC191109

REGISTERED OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath, Thane - 421505, Maharashtra, India.	Ms. Yesha Chetan Gandani, Company Secretary & Compliance Officer	E-mail: <a href="mailto:cs@arabianpetroleum.co.in">cs@arabianpetroleum.co.in</a> Tel No: +0251-2395601;	Website: <a href="http://www.arabianpetroleum.co.in">www.arabianpetroleum.co.in</a>

<b>PROMOTERS OF THE COMPANY</b>	<b>MR. HEMANT DALSUKHRAI MEHTA AND MR. MANAN HEMANT MEHTA</b>
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DETAILS OF THE ISSUE				
TYPE	FRESH ISSUE SIZE (IN ₹ LAKHS)	OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹)	TOTAL ISSUE SIZE (IN ₹ LAKHS)	ELIGIBILITY
Fresh Issue	₹10	Nil	₹10	THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229 AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED.

**DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES**

**RISK IN RELATION TO THE FIRST ISSUE**  
The face value of the Equity Shares is ₹10/- each. The Issue Price of ₹10/- per equity share (determined and justified by our Company in consultation with the Lead Manager as stated in “Basis for Issue Price” on page 78 of this draft prospectus) should not be considered to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISKS**  
Investments in Equity and Equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire 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 Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the Draft Prospectus. Specific attention of the investors is invited to the section “Risk Factors” beginning on page 21 of this Draft Prospectus.

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

**LISTING**  
The Equity Shares Issued through this Draft Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”)

LEAD MANAGER TO THE ISSUE		
NAME AND LOGO	CONTACT PERSON	EMAIL & TELEPHONE NO.
 <b>Hem Securities Ltd.</b>	Mrs. Roshmi Lahoti	Email: <a href="mailto:ib@hemsecurities.com">ib@hemsecurities.com</a> Tel. No.: +91- 022- 49060000 Fax No.: +91- 022- 22625991

REGISTRAR TO THE ISSUE		
NAME	CONTACT PERSON	EMAIL & TELEPHONE
 <b>Purva Sharegistry (India) Pvt. Ltd.</b>	Ms. Deepali Dhuri	Email: <a href="mailto:support@purvashare.com">support@purvashare.com</a> Tel No.: 91 22 2301 8261 Fax No.: 91 22 2301 2517

ISSUE PROGRAMME	
ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]



**ARABIAN PETROLEUM LIMITED**  
CIN: U23200MH2009PLC191109

Our Company was originally incorporated as “Arabian Petroleum Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2009 bearing registration No. 191109 issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently, our Company was converted into a public limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on November 11, 2011 and consequently the name of our Company was changed from “Arabian Petroleum Private Limited” to “Arabian Petroleum Limited” vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated December 16, 2011 by the Registrar of Companies, Mumbai bearing Corporate Identification Number U23200MH2009PLC191109. For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 120 of this Draft Prospectus.

**Registered Office:** Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath Thane - 421505, Maharashtra, India

**Contact Person:** Ms. Yesha Chetan Gandani, Company Secretary & Compliance Officer

**Tel No:** +0251-2395601 **E-mail:** [cs@arabianpetroleum.co.in](mailto:cs@arabianpetroleum.co.in) **Website:** [www.arabianpetroleum.co.in](http://www.arabianpetroleum.co.in)

**Promoters of our Company:** Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta

**DETAILS OF THE ISSUE**

**INITIAL PUBLIC OFFER OF UPTO 28,92,000 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH (THE "EQUITY SHARES") OF ARABIAN PETROLEUM LIMITED ("OUR COMPANY" OR "APL" OR "THE ISSUER") AT AN ISSUE PRICE OF RS. [●] PER EQUITY SHARE FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.55% AND [●]% RESPECTIVELY OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO 223 OF THIS DRAFT PROSPECTUS.**

This issue is being made through fixed price process in terms of Chapter IX of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“SEBI (ICDR) Regulations”) as amended and Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended (THE “SCRR”), This issue has been made for at least 25.00% of the post-issue paid-up equity share capital of our company and allocation in the net issue to the public will be made in terms of regulation 253 of the SEBI (ICDR) Regulations, 2018, as amended. For further details, please refer to section titled “*Issue Procedure*” beginning on page 232 of this Draft Prospectus. A copy of Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 26 of the Companies Act, 2013.

All potential investors shall participate in the Issue only through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details of their respective bank accounts and / or UPI IDs, in case of RIIs, if applicable, which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under UPI Mechanism as the case may be. For details in this regard, specific attention is invited to “*Issue Procedure*” on page no. 232 of this Draft Prospectus.

**ELIGIBLE INVESTORS**

For details in relation to Eligible Investors, please refer to section titled “*Issue Procedure*” beginning on page 232 of this Draft Prospectus.

**RISK IN RELATION TO THE FIRST ISSUE**

This being the first Public Issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10/- per Equity Share and the Issue Price is [●] times the face value. The Issue Price (determined and justified by our Company in consultation with the Lead Manager) as stated under “*Basis for Issue Price*” beginning on page no. 78 of this Draft Prospectus should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing

**GENERAL RISKS**

Investment in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Prospectus. Specific attention of the investors is invited to “*Risk Factors*” beginning on page no. 21 of this Draft Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

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

**LISTING**

The Equity Shares Issued through this Draft Prospectus are proposed to be listed on the SME Platform of NSE (NSE Emerge) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”)

**LEAD MANAGER TO THE ISSUE**

 **Hem Securities Ltd.**

**HEM SECURITIES LIMITED**  
904,A Wing, Naman Midtown, Senapati Bapat Marg,  
Elphinstone Road, Lower Parel, Mumbai-400013, India  
**Tel. No.:** +91- 022- 49060000  
**Fax No.:** +91- 022- 22625991  
**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)  
**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)  
**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)  
**Contact Person :** Mrs. Roshni Lahoti  
**SEBI Regn. No.** INM000010981

**REGISTRAR TO THE ISSUE**



**PURVA SHAREREGISTRY (INDIA) PVT. LTD.**  
Unit No. 9, Ground Floor, Shiv Shakti Industrial. Estate, J. R. Boricha Marg,  
Lower Parel East, Mumbai-400011, Maharashtra, India.  
**Tel No.:** 91 22 2301 8261  
**Fax No.:** +91-022-23012517  
**Website:** [www.purvashare.com](http://www.purvashare.com)  
**Email:** [support@purvashare.com](mailto:support@purvashare.com)  
**Investor Grievance Email:** [support@purvashare.com](mailto:support@purvashare.com)  
**Contact Person:** Ms. Deepali Dhuri  
**SEBI Regn. No.:** INR000001112

**ISSUE PROGRAMME**

**ISSUE OPENS ON: [●]**

**ISSUE CLOSES ON: [●]**

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**SECTION I – GENERAL**

**DEFINITIONS AND ABBREVIATIONS**

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

*The words and expressions used in this Draft Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act, 1992(“ SCRA”), the Depositories Act or the rules and regulations made there under.*

*Notwithstanding the foregoing, terms used in the sections “Statement of Tax Benefits”, “Financial Information of the Company” and “Main Provisions of the Articles of Association” on page 81, 144 and 255 respectively, shall have the meaning ascribed to such terms in such sections.*

**General Terms**

<b>Terms</b>	<b>Description</b>
“APL”, “the Company”, “our Company”, “Issuer” and “Arabian Petroleum Limited”	Arabian Petroleum Limited, a Company incorporated in India under the Companies Act, 1956 having its registered office at Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambemath (W), Ambemath, Thane, Maharashtra- 421505 India.
“we”, “us” and “our”	Unless the context otherwise indicates or implies refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue

**Company related and Conventional terms**

<b>Term</b>	<b>Description</b>
AOA / Articles / Articles of Association	Articles of Association of Arabian Petroleum Limited as amended from time to time.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 as described in the chapter titled “ <b>Our Management</b> ” beginning on page 124 of this Draft Prospectus
Auditors/ Statutory Auditors	The Statutory Auditors of our Company being M/s. M N T and Associates LLP Chartered Accountants (Firm Registration No.100115W)
Banker to our Company	Kotak Mahindra Bank Limited
Board of Directors / the Board / our Board	The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled “ <b>Our Management</b> ” beginning on page 124 of this Draft Prospectus.
Chief Financial Officer/ CFO	The Chief Financial Officer of our Company being Mr. Dharman Manoj Mehta
Companies Act / Act	The Companies Act, 2013 and amendments thereto.
Company Secretary and Compliance Officer	The Company Secretary & Compliance Officer of our Company being Ms. Yesha Chetan Gandani (Membership No. ACS 63375)
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
DP/ Depository Participant	A depository participant as defined under the Depositories Act
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of our Company.
Equity Shares	Equity Shares of the Company of Face Value of Rs. 10/- each unless otherwise specified in the context thereof.
Executive Directors	Executive Directors are the Managing Director & Whole-time Directors of our Company.

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Fugitive economic offender	Shall mean an individual who is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018)
Group Company	Such Companies as are included in the Chapter titled " <b><i>Our Group Company</i></b> " beginning on page 211 of this Draft Prospectus.
Independent Director	An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details of our Independent Directors, see " <b><i>Our Management</i></b> " on page 124 of this Draft Prospectus.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	International Securities Identification Number. In this case being INE08NJ01024
IT Act	The Income Tax Act, 1961 as amended till date.
JV/ Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI Regulations and the Companies Act, 2013. For details, see section titled " <b><i>Our Management</i></b> " on page 124 of this Draft Prospectus.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on April 30, 2022 in accordance with the requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time.
MOA/ Memorandum/ Memorandum of Association	Memorandum of Association of Arabian Petroleum Limited.
MD or Managing Director	The Managing Director of our Company, Mr. Hemant Dalsukhrai Mehta
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 as described in the chapter titled " <b><i>Our Management</i></b> " beginning on page 124 of this Draft Prospectus
Non-Executive Director	A Director not being an Executive Director.
NRIs / Non-Resident Indians	A person resident outside India, as defined under Foreign Exchange Management Act, 1999 and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
Promoter(s)	Shall mean promoters of our Company i.e. Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta For further details, please refer to section titled " <b><i>Our Promoter &amp; Promoter Group</i></b> " beginning on page 139 of this Draft Prospectus.
Promoter Group	Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section " <b><i>Our Promoter and Promoter Group</i></b> " beginning on page 139 of this Draft Prospectus.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	The Registered Office of our Company situated at Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath, Thane, Maharashtra- 421505 India.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
Restated Financial Statements	The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, 2020 and 2019 and the restated statements of profit and loss and the restated cash flows for the period ended December 31, 2021, March 31, 2021, 2020 and 2019 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto.
RoC/ Registrar of Companies	Registrar of Companies, Mumbai.
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.

**ARABIAN PETROLEUM LIMITED**

SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
Stakeholders' Relationship Committee	Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and as described in the chapter titled " <b><i>Our Management</i></b> " beginning on page 124 of this Draft Prospectus
Stock Exchange	Unless the context requires otherwise, refers to, NSE Limited.
Sub- Account	Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals.
Subscriber to MOA	Initial Subscribers to MOA & AOA Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta.

**Issue Related Terms**

<b>Terms</b>	<b>Description</b>
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an applicant as proof of registration of the Application.
Allocation/ Allocation of Equity Shares	The Allocation of Equity Shares of our Company pursuant to Fresh Issue of Equity Shares to the successful Applicants.
Allotment/Allot/Allotted	Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	A successful applicant to whom the Equity Shares are allotted.
Applicant/ Investor	Any prospective investor who makes an application pursuant to the terms of the Draft Prospectus and the Application form.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of Draft Prospectus.
Application Form	The form, whether physical or electronic, used by an Applicant to make an application, which will be considered as the application for Allotment for purposes of this Draft Prospectus.
Application Supported by Block Amount (ASBA)	An application, whether physical or electronic, used by all applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB. Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors shall apply through ASBA process only.
ASBA Account	Account maintained by the ASBA Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Investor.
Bankers to the Issue/ Public Issue Bank/ Sponsor Bank	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being [●]

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Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful applicants under the issue and which is described in the chapter titled “ <i>Issue Procedure</i> ” beginning on page 232 of this Draft Prospectus.
Broker Centers	Broker centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
Business Day	Monday to Friday (except public holidays).
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to Demat account
Collecting Depository Participants or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the LM, the Registrar to the Issue and the Stock Exchange.
Demographic Details	The demographic details of the applicants such as their Address, PAN, name of the applicants father/husband, investor status, Occupation and Bank Account details.
Depository / Depositories	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 as amended from time to time, being NSDL and CDSL.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
Designated Date	On the Designated Date, the amounts blocked by SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/ or unblocked in terms of the Draft Prospectus
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> . Recognized-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the website of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated RTA Locations	Such locations of the RTAs where Applicant can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <a href="http://www.nseindia.com">www.nseindia.com</a>
Designated Intermediaries/Collecting Agent	An SCSB’s with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depository Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity)
Designated Market Maker	[●]
Designated Stock Exchange	National Stock Exchange of India Limited (“NSE Emerge”)
Draft Prospectus	Draft Prospectus dated June 30, 2022 issued in accordance with Section 26 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Draft Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value Rs. 10.00 each
Electronic Transfer of Funds	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.

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Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depository participants.
FII/ Foreign Institutional Investors	Foreign Institutional Investor as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI/ Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended
General Corporate Purposes	Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI and (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018.
Issue Agreement	The Agreement dated June 10, 2022 between our Company and Lead Manager, Hem Securities Limited.
Issue/Public Issue/Issue size/Initial Public Offering/ IPO	The Public Issue of upto 28,92,000 Equity shares of Rs. 10/- each at issue price of Rs. [●]/- per Equity share, including a premium of Rs. [●]/- per equity share aggregating to Rs. [●] lakhs
Issue Closing Date	The date after which the Lead Manager, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations, 2018. In this case being [●]
Issue Opening Date	The date on which the Lead Manager, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations, 2018. In this case being [●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants can submit their Applications.
Issue Price	The Price at which the Equity Shares are being issued by our Company under this Draft Prospectus being Rs. [●] per Equity share.
Issue Proceeds	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled “ <i>Objects of the Issue</i> ” beginning on page 73 of this Draft Prospectus
Listing Agreement	The Equity Listing Agreement to be signed between our Company and the Stock Exchange.
LM/Lead Manager	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Lot Size	[●]
Mandate Request	Mandate Request means a request initiated on the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
Market Maker	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, [●] is the sole Market Maker.
Market Making Agreement	The Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker, [●]

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Market Maker Reservation Portion	The reserved portion of [●] Equity Shares of Rs. 10 each at an Issue price of Rs. [●] each is aggregating to Rs. [●] Lakhs to be subscribed by Market Maker in this issue.
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] equity Shares of Rs.10/- each at a price of Rs. [●] per Equity Share (the “Issue Price”), including a share premium of Rs. [●] per equity share aggregating to Rs. [●] Lacs.
Net Proceeds	The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled “ <b>Objects of the Issue</b> ” beginning on page 73 of this Draft Prospectus.
Non-Institutional Investors	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than Rs. 2,00,000/-
Other Investor	Investors other than Retail Individual Investors. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
Overseas Corporate Body/ OCB	Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB’s) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this Issue.
Prospectus	The Prospectus, to be filed with the RoC in accordance with the provisions of Section 26 of the Companies Act, 2013, containing, <i>inter alia</i> , the Issue Price will be determined before filing the Prospectus with RoC
Public Issue Account	Account to be opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the Applicant, on the Designated Date.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of Rs. 25.00 Crore; a pension fund with minimum corpus of Rs. 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and systemically important non-banking financial companies.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Purva Sharegistry (India) Private Limited
Registrar Agreement	The agreement dated June 03, 2022 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members”(except Syndicate/Sub-Syndicate Members) who hold valid membership either NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on the website of the Stock Exchange.
Regulations	SEBI (Issue of Capital And Disclosure Requirements) Regulations, 2018 as amended from time to time.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply

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	for the Equity Shares of a value of not more than Rs. 2,00,000.
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Applications or any previous Revision Form(s).
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 DATED November 10, 2015 issued by SEBI.
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Self-Certified Syndicate Bank(s) / SCSB(s)	Banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a>
SME Exchange	SME Platform of the NSE i.e. NSE Emerge.
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003
Specified Securities	Equity shares offered through this Draft Prospectus.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement [●] entered between the Underwriter, LM and our Company.
UPI	UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account
UPI ID	ID created on Unified Payment Interface (UPI) for single window mobile payment system developed by the National Payment Corporation of India (NPCI)
UPI Mandate Request/ Mandate Request	A request (intimating the RII by way of notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment.
UPI PIN	Password to authenticate UPI transaction
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	In accordance with Regulation 2(1)(mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI.

**Technical and Industry Related Terms**

<b>Term</b>	<b>Description</b>
ATF	Automatic Transmission Fluid
BSF	Border Security Force

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B2B	Business to Business
CNG	Compressed Natural Gas
DGFT	Directorate General of Foreign Trade
EGR	Exhaust Gas Recirculation
FMCG	Fast-moving consumer goods
IESS	India Engineering Sourcing Show
IAF	Indian Air Force
L	Liter
LPG	Liquefied Petroleum Gas
ML	Milliliter
OEM	Original Equipment Manufacturer
R&D	Research and Development
SCORES	SEBI Complaints Redress System
TBN	Total base number
API	American Petroleum Institute
MIDC	Maharashtra Industrial Development Corporation
CFA	Carrying and Forwarding Agents
ISO	International Organization for Standardization
QMS	Quality Management Services
UTTO	Universal Tractor Transmission Oil
VDS	Volvo Dynamic Steering
KL	Kilo Liter
QC	Quality Control
ICIS	Independent Commodity Intelligence Services

**Abbreviations**

<b>Abbreviation</b>	<b>Full Form</b>
Rs./ Rs./ Rupees / INR	Indian Rupees
AS/ Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
ACS	Associate Company Secretary
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
Approx	Approximately
B. Com	Bachelor of Commerce
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
Companies Act, 2013	Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, along with the relevant rules made thereunder as amended.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act) along with the relevant rules made thereunder
CA	Chartered Accountant

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CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CSR	Corporate Social Responsibility
C.P.C.	Code of Civil Procedure, 1908
CWA/ICWA	Cost and Works Accountant
CMD	Chairman and Managing Director
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India
DP	Depository Participant
DP ID	Depository Participant's Identification Number
EBITDA	Earnings Before Interest, Taxes, Depreciation & Amortization
ECS	Electronic Clearing System
ESIC	Employee's State Insurance Corporation
EPFA	Employee's Provident Funds and Miscellaneous Provisions Act, 1952
EMI	Equated Monthly Installment
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FIs	Financial Institutions
FIIs	Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India
FPIs	<b>“Foreign Portfolio Investor”</b> means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
FZ-LLC	Free Zone Limited Liability Company
GoI/Government	Government of India
GDP	Gross Domestic Product
GST	Goods and Services Tax
GVA	Gross Value Added
HUF	Hindu Undivided Family
HNI	High Net Worth Individual
HSL	Hem Securities Limited
IBC	The Insolvency and Bankruptcy Code, 2016

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ICAI	The Institute of Chartered Accountants of India
ISIN	International Securities Identification Number
IST	Indian Standard Time
ICWAI	The Institute of Cost and Works Accountants of India
IMF	International Monetary Fund
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
INR / Rs./ Rupees	Indian Rupees, the legal currency of the Republic of India
I.T. Act	Income Tax Act, 1961, as amended from time to time
IT Authorities	Income Tax Authorities
IT Rules	Income Tax Rules, 1962, as amended, except as stated otherwise
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards as referred to in and notified by the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standard) Rules, 2015
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
LLP	Limited Liability Partnership
LLC	Limited Liability Company
MAT	Minimum Alternate Tax
MoF	Ministry of Finance, Government of India
MoU	Memorandum of Understanding
MCA	Ministry of Corporate Affairs, Government of India
M. B. A	Master of Business Administration
M. Sc	Master of Science
MAT	Minimum Alternate Tax
Mn	Million
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
MSME	Micro, Small and Medium Enterprises
MAPIN	Market Participants and Investors Database
NA	Not Applicable
NCLT	National Company Law Tribunal
Networth	The aggregate of paid up Share Capital and Share Premium account and Reserves and Surplus(Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure(to the extent not written off) and debit balance of Profit & Loss Account
NEFT	National Electronic Funds Transfer
NECS	National Electronic Clearing System
NAV	Net Asset Value
NCT	National Capital Territory
NPV	Net Present Value
NRIs	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum

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PF	Provident Fund
PG	Post Graduate
PGDBA	Post Graduate Diploma in Business Administration
Ph.D	Doctorate in Philosophy
PLR	Prime Lending Rate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RoC	Registrar of Companies
RBI	The Reserve Bank of India
Registration Act	Registration Act, 1908
ROE	Return on Equity
R&D	Research & Development
Rs. or Rs.	Rupees, the official currency of the Republic of India
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
SCSB	Self-Certified syndicate Banks
SEBI	Securities and Exchange Board of India
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
UAE	United Arab Emirates
UIN	Unique identification number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
U.S. GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value Added Tax
VCF / Venture Capital Fund	Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations, 2018.
WDV	Written Down Value
WTD	Whole Time Director
w.e.f.	With effect from
-, (₹)	Represent Outflow

The words and expressions used but not defined in this Draft Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the “SEBI Act”), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act 1996 and the rules and regulations made thereunder.

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

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

**Certain Conventions**

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

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

**Use of Financial Data**

Unless stated otherwise, throughout this Draft Prospectus, all figures have been expressed in Rupees and Lakh. Unless stated otherwise, the financial data in the Draft Prospectus is derived from our restated financial statements prepared for the stub period ended on December 31, 2021 and financial year ended March 31 2021, 2020 and 2019 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2018 included under Section titled “*Financial Information of the Company*” beginning on page 144 of this Draft Prospectus.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“**U.S. GAAP**”). Accordingly, the degree to which the Indian GAAP financial statements included in this Draft Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practice and Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Prospectus should accordingly be limited. We have not attempted to explain those differences or quantify their impact on the financial data included herein, and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

Any percentage amounts, as set forth in “*Risk Factors*”, “*Our Business*”, “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and elsewhere in the Draft Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, 2018, as stated in the report of our Auditor, set out in section titled “*Financial Information of the Company*” beginning on page 144 of this Draft Prospectus. There are no subsidiaries of our Company as on date of the Draft Prospectus. Our fiscal year commences on April 1 of every year and ends on March 31<sup>st</sup> of every next year.

For additional definitions used in this Draft Prospectus, see the section “*Definitions and Abbreviations*” on page 1 of this Draft Prospectus. In the section titled “*Main Provisions of the Articles of Association*”, on page 255 of the Draft Prospectus defined terms have the meaning given to such terms in the Articles of Association of our Company.

**Use of Industry & Market Data**

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

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

In accordance with the SEBI (ICDR) Regulations, 2018 the section titled ***“Basis for Issue Price”*** on page 78 of the Draft Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

### **Currency of Financial Presentation**

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

Any percentage amounts, as set forth in ***“Risk Factors”***, ***“Our Business”***, ***“Management’s Discussion and Analysis of Financial Conditions and Results of Operations”*** on page 21, 95 and 192 of this Draft Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

The Draft Prospectus contains conversion of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI (ICDR) Regulations, 2018. These conversions should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

**FORWARD LOOKING STATEMENTS**

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

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

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in consumer demand and preferences;
- Availability of raw materials and fluctuation in the prices of raw materials for our speciality oils and lubricants products
- Failure to successfully upgrade our product portfolio, from time to time;
- Any change in government policies resulting in increases in taxes payable by us;
- Our ability to retain our key managements persons and other employees;
- Changes in laws and regulations that apply to the industries in which we operate.
- Our failure to keep pace with rapid changes in technology;
- Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
- Delay or default in payment from our depots and customers
- General economic, political and other risks that are out of our control;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Exchange rate fluctuations in various currencies in which we do business;
- Company’s ability to successfully implement its growth strategy and expansion plans;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- Occurrence of Environmental Problems & Uninsured Losses;
- Any adverse outcome in the legal proceedings in which we are involved;
- Concentration of ownership among our Promoters;
- The performance of the financial markets in India and globally;

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”, “**Our Business**” and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 21, 95 and 192 respectively of the Draft Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

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

Neither our Company, our Directors, our Officers, Lead Manager and Underwriter nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the LM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange for the Equity Shares allotted pursuant to this Issue.

**SECTION II: SUMMARY OF DRAFT PROSPECTUS**

**PRIMARY BUSINESS OF THE COMPANY**

We are in the business of manufacturing wide range of Lubricants including Specialty Oils, Coolants etc used for application in automobiles and industrial machines and appliances. Our business is categorized into two distinctive product division: **(i) Automotive Lubricants – Arzol and (ii) Industrial Lubricants – SPL**. We are dedicated to consistently providing products that deliver stellar quality and comply with statutory requirements in the Automotive and Industrial Lubricants domain.

**SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING**

India is the second-largest lubricant consumer in the region, and third in the world, after the United States and China. The country is the fourth and sixth largest producer of commercial vehicles and passenger cars, respectively.

In India, with the increasing demand for vehicles, several automakers have started investing heavily in various segments of the industry. Furthermore, the Indian government has been rolling out initiatives to attract FDI in the automotive industry, allowing 100% FDI under the automatic route. The government has also planned to introduce a new Green Urban Transport Scheme with central assistance of about INR 250 billion, to boost the growth of urban transport, along the low-carbon path, with an aim to reduce air pollution substantially.

**NAME OF PROMOTERS**

The Promoter of our Company are Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta.

**SIZE OF THE ISSUE**

The Issue comprises of a Fresh Initial Public Issue of upto 28,92,000 equity shares of face value of ₹ 10/- each (The “Equity Shares”) for cash at a price of ₹ [●]/- per Equity Shares (including a premium of ₹ [●]/- per Equity Share) aggregating to ₹ [●] Lakhs (“the Issue”) by our Company of which [●] Equity Shares of ₹ 10 each aggregating to ₹ [●] Lakhs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and a Net Issue to public of [●] Equity Shares of ₹ 10 each aggregating to ₹ [●] Lakhs. The Issue and the Net Issue will constitute 26.55 % and [●] % respectively of the post issue paid up Equity Share Capital of the Company.

**OBJECTS OF THE ISSUE**

The Issue Proceeds are proposed to be used in accordance with the details as set forth below:

Sr. No	Particulars	Amt (₹ in Lakh)
1.	Working Capital Requirement	[●]
2.	General Corporate Purpose	[●]
3.	Issue Expenses	[●]
	<b>Total</b>	<b>[●]</b>

**PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP**

The aggregate pre-issue shareholding of the promoter and promoter group as a percentage of the paid-up capital of the issuer is as below-

Name	No. of Equity Shares	% of Pre Issue paid up Equity Shares
<b>(A) Promoter</b>		
Mr. Hemant Dalsukhrai Mehta	21,71,200	27.14
Mr. Manan Hemant Mehta	25,17,360	31.47
<b>Total (A)</b>	<b>46,88,560</b>	<b>58.61</b>
<b>(B) Promoter Group</b>		
Mrs. Darshana Hemant Mehta	30,11,440	37.64
Mrs. Nita Nitin Mehta	40,000	0.50

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Name	No. of Equity Shares	% of Pre Issue paid up Equity Shares
Mr. Nitin D Mehta	60,000	0.75
Mr. Dharman Manoj Mehta	1,40,000	1.75
Mrs. Mayuri Jayant Mehta	60,000	0.75
<b>Total (B)</b>	<b>33,11,440</b>	<b>41.39</b>
<b>GRAND TOTAL</b>	<b>80,00,000</b>	<b>100.00</b>

**SUMMARY OF FINANCIAL INFORMATION**

Following are details as per the restated financial statements for past 3 years and stub period in tabular format:

(Rs. In Lakhs)

Sr. No.	Particulars	For the period ended on December 31, 2021	Year ended		
			2021	2020	2019
1.	Paid up Share Capital	200.00	200.00	200.00	200.00
2.	Net worth	1,645.28	1,301.98	1,014.44	733.21
3.	Total Net Revenue (Operations)	14,015.25	10,998.70	8,392.40	7,757.50
4.	Profit After Tax	343.30	287.54	281.23	128.37
6.	Earnings Per Share – Basic & Diluted	4.29	3.59	3.52	1.60
7.	NAV per Equity Shares (Based on Actual Number of Shares)	82.26	650.99	507.22	366.60
8.	NAV per Equity Shares (Based on Weighted Average Number of Shares)	20.57	16.27	12.68	9.17
9.	Total Borrowings (As per Restated Balance Sheet)	2,314.36	2,197.75	1,667.10	1,339.70

**AUDITORS QUALIFICATIONS WHICH HAVE NOT BEEN GIVEN EFFECT TO IN THE RESTATED FINANCIAL STATEMENTS**

The Restated Financial Statements do not contain any qualification requiring adjustments by the Statutory Auditors.

**OUTSTANDING LITIGATIONS**

*Litigations involving our Company:-*

Nature of Case	Number of Cases	Amount Involved (to the extent quantifiable)
<b>Company</b>		
Direct	Nil	Nil
Indirect - GST*	2	Unascertainable
<b>Directors &amp; Promoters</b>		
Direct	Nil	Nil
Indirect	Nil	Nil

\*For the Financial year 2017-2018 and 2018-2019 the company has two outstanding GST proceedings containing the reasons for the discrepancies found in the GSTR-3B.

For further details of the outstanding litigation proceedings, see "Outstanding Litigation and Material Developments" beginning on page 201 of this Draft Prospectus.

**RISK FACTORS**

Please see "Risk Factors" beginning on page 21 of this Draft Prospectus.

**SUMMARY OF CONTINGENT LIABILITIES OF THE COMPANY**

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Following is the summary of the Contingent Liabilities of the Company for the stub period ended on December 31, 2021 financial years ended on March 31, 2021, 2020 and 2019: -

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts (Indirect Tax Matters)	-	-	-	-
Bank Guarantees given by the Company	45.10	42.81	42.50	-
<b>Total</b>	<b>45.10</b>	<b>42.81</b>	<b>42.50</b>	<b>-</b>

For detailed information on the Contingent Liabilities on our Company, please refer Note- Y appearing on page 176 of this Draft Prospectus under Chapter titled “*Restated Financial Information*” beginning on Page 144 of this Draft Prospectus.

**SUMMARY OF RELATED PARTY TRANSACTIONS****Related Party Disclosure:****a) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Hemant Dalsukhrai Mehta	Managing Director
2	Darshana Hemant Mehta	Non- Executive Director
3	Manan Hemant Mehta	Whole Time Director
4	Dharman Manoj Mehta	Whole-Time Director and Chief Financial Officer
5	Yesha Gandani	Compliance Officer & Company Secretary
6	M/s Arabian Petroleum - (Proprietor - Hemant D Mehta HUF)	Firm in which Directors/ relatives of Directors are interested
7	M/s Eastern India Company (Proprietor - Manan Hemant Mehta HUF)	Firm in which Directors/ relatives of Directors are interested
8	M/s Eastern India Co (Proprietor - Hemant Dalsukhrai Mehta)	Firm in which Directors/ relatives of Directors are interested

**b) Transaction with related Parties**

(Rs. In Lakhs)

Sr. No.	Particulars	As at			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
	<b>Remuneration Paid to Directors</b>				
	Hemant Dalsukhrai Mehta	52.83	50.70	30.49	26.52
	Darshana Hemant Mehta	17.22	14.55	7.30	7.30
	Manan Hemant Mehta	52.83	50.70	30.49	26.52
	Dharman Manoj Mehta	29.00	30.56	11.28	11.28
	<b>Royalty Paid</b>				
	Hemant Dalsukhrai Mehta	-	-	10.94	-
	Manan Hemant Mehta	-	-	8.57	-
	<b>Purchase</b>				
	M/s Arabian Petroleum - (Proprietor - Hemant D Mehta HUF)	-	-	-	2.40
	<b>Sales</b>				
	M/s Eastern India Co (Proprietor - Hemant Dalsukhrai Mehta)	-	-	-	1.70
	M/s Eastern India Company (Proprietor -	12.21	17.21	1.06	0.80

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	Manan Hemant Mehta HUF)				
	<b>Loans Received</b>				
	Hemant Dalsukhrai Mehta	45.00	272.30	131.00	82.00
	Darshana Hemant Mehta	41.50	159.87	85.00	271.15
	Manan Hemant Mehta	30.00	76.50	85.00	21.00
	Dharman Manoj Mehta	-	28.00	-	-
	<b>Loans Repaid/ Given</b>				
	Hemant Dalsukhrai Mehta	287.00	112.00	68.00	10.50
	Darshana Hemant Mehta	207.25	83.00	97.61	126.50
	Manan Hemant Mehta	167.00	38.62	97.00	42.50
	Dharman Manoj Mehta	28.00	-	-	-
	<b>Balances at the end of year (Loans Payable)</b>				
	Hemant Dalsukhrai Mehta	147.21	378.32	218.02	155.02
	Darshana Hemant Mehta	88.35	254.10	177.23	189.84
	Manan Hemant Mehta	-	132.07	94.19	106.19
	Dharman Manoj Mehta	-	28.00	-	-

For detailed information on the related party transactions executed by our Company, please refer “Note – Z” appearing on page 181 of this Draft Prospectus under Chapter titled “**Restated Financial Information**” beginning on Page 144 of this Draft Prospectus.

**FINANCING ARRANGEMENTS**

The promoter, members of the promoter group, the directors of the company and their relatives have not financed the purchase of securities of the Company by any other person other than in the normal course of the business during the period of six months immediately preceding the date of this Draft Prospectus.

**WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY EACH OF OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT PROSPECTUS**

Weighted average price at which the Equity Shares were acquired by our Promoter in Last one year:

Sr. No.	Name of Promoters	Total No. of Equity Shares	Weighted Average Price* (in ₹ per equity share)
1.	Mr. Hemant Dalsukhrai Mehta	16,28,400	Nil
2.	Mr. Manan Hemant Mehta	18,88,020	Nil

\*The Weighted Average Price for Equity Shares acquired during last one year has been calculated by taking into account the amount paid by the Promoter to acquire, by way of fresh issuance or transfer, the Equity Shares and the net cost of acquisition has been divided by total number of shares acquired during last one year.

**AVERAGE COST OF ACQUISITION OF SHARES FOR PROMOTER**

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr. Hemant Dalsukhrai Mehta	21,71,200	2.50
2.	Mr. Manan Hemant Mehta	25,17,360	2.54

\*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date.

**DETAILS OF PRE-ISSUE PLACEMENT**

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Prospectus till the listing of the Equity Shares.

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**ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR**

Except for the details of Bonus Issue mentioned below, we have not issued Equity Shares for consideration other than cash in the preceding one year.

<b>Sr. No.</b>	<b>Names of Allottees</b>	<b>Number of Equity Shares</b>
1.	Mr.Hemant Dalsukhrai Mehta	1628400
2.	Mr. Manan Hemant Mehta	1888020
3.	Mrs. Darshana Hemant Mehta	2258580
4.	Mrs. Nita Nitin Mehta	30000
5.	Mr. Nitin D Mehta	45000
6.	Mr. Dharman Manoj Mehta	105000
7.	Mrs. Mayuri Jayant Mehta	45000
	<b>Total</b>	<b>60,00,000</b>

**SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR**

Our Company has not undertaken a split or consolidation of the Equity Shares in the one (1) year preceding the date of this Draft Prospectus.

**SECTION III: RISK FACTORS**

*An investment in our Equity Shares involves a high degree of financial risk. Prospective investors should carefully consider all the information in the Draft Prospectus, particularly the “Financial Information of the Company” and the related notes, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 144, 95 and 192 respectively of this Draft Prospectus and the risks and uncertainties described below, before making a decision to invest in our Equity Shares.*

*The risk factors set forth below are not exhaustive and do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Equity Shares. This section addresses general risks associated with the industry in which we operate and specific risks associated with our Company. Any of the following risks, individually or together, could adversely affect our business, financial condition, results of operations or prospects, which could result in a decline in the value of our Equity Shares and the loss of all or part of your investment in our Equity Shares. While we have described the risks and uncertainties that our management believes are material, these risks and uncertainties may not be the only risks and uncertainties we face. Additional risks and uncertainties, including those we currently are not aware of or deem immaterial, may also have an adverse effect on our business, results of operations, financial condition and prospects.*

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

**Materiality**

*The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality.*

- 1. Some events may not be material individually but may be found material collectively.*
- 2. Some events may have material impact qualitatively instead of quantitatively.*
- 3. Some events may not be material at present but may be having material impact in future.*

**Note:**

*The risk factors as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.*

*In this Draft Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “Risk Factors” on page 21 and “Management Discussion and Analysis of Financial Condition and Results of Operations” on page 192 of this Draft Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the “Restated Financial Statements”.*

- 1. Availability of raw materials and fluctuation in the prices of raw materials like base oil and additives, may adversely affect our business, financial condition and results of operation.***

*The major raw material involved in our business of manufacturing specialty oils and lubricant products is base oil derived from vacuum gas oil which is by-product of crude oil. Thus fluctuations in crude oil prices may adversely affect our revenues and profits. We depend on third-party vendors and suppliers, with whom we place purchase orders from time to time, for the purchase of raw materials. We are currently sourcing base oil from domestic as well as overseas suppliers on spot basis, where the price of base oil is typically linked with ICIS and international price of gas oil. We also procure base*

oil from domestic vendors however we have not entered into any long term agreements with any such parties which could ensure regular and timely supplies of raw materials. As a result, we may face supply disruptions which may lead us to incur additional costs in procuring our raw materials. We cannot assure you that we will be able to continue to obtain adequate supplies of our raw materials, in a timely and cost effective manner or at all.

For the stub period ended on December 31, 2021 and Fiscal 2021, 2020 and 2019, the cost of raw materials consumed was Rs 12,459.64 lakhs, Rs 8,846.25 lakhs, Rs 6,307.14 lakhs and Rs 6,476.38 lakhs which as a percentage of our revenue from sale of finished products was 88.90%, 80.43%, 75.15% and 83.49% respectively. Our raw materials include base oil and additives the prices of which have been volatile in the past. As a result, we continue to remain susceptible to the risks arising out of raw material price fluctuations which could result in declining operating margins. While we have been able to pass on increase in prices of raw material to our customers, there have also been occasions when we have been unable to pass on increases in raw materials prices to our customers. Any such increases in prices of raw materials in future could adversely affect our ability to price our products competitively. Further, as of December 31, 2021 we have combined in-house storage capacity of approx. 2000 KL for storage of base oil and other raw materials and capacity of approx. 500 KL for storage of finished products. Storage of raw materials and finished products also subject us to the risk in relation to fluctuation in prices resulting in inventory losses. Thus any fluctuation in the prices could negatively impact our ability to manage inventory levels or price our products appropriately, thereby negatively impacting our profitability and operating margins.

2. ***We also sell our products through network of distributors, dealers and depots, and any inability to expand or effectively manage our growing distribution and sales network may have an adverse effect on our business, results of operations and financial condition.***

In addition to direct sales of our products to end user customers, we also have an extensive sales and distribution network that consists of around 400 dealers and distributors and 6 depots. We continuously seek to increase the penetration of our products by appointing new distributors and depot agents targeted at different markets and geographies. We cannot assure you that we will be able to successfully identify and appoint new distributors or effectively manage our existing distribution network. If the terms offered to such distributors by our competitors are more favorable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. Further, our agreements with our depot agents are typically valid for a period of upto 1 to 3 years, and can be terminated by either party without assigning any reason. Accordingly, upon expiry of their terms or an early termination, we may be unable to appoint replacement depot agents in a timely manner, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

While we offer sales incentives to our depot agents and distributors, we may not be able to effectively implement them across our distribution network. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labour issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution agreement, or if our distribution agreements are terminated, our business and results of operations may be adversely affected.

3. ***Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Obsolescence, destruction, theft, breakdowns of our machineries or failures to repair or maintain the same may affect our business, cash flows, financial condition and results of operations.***

We have two manufacturing facilities located at Ambarnath, Mumbai. Our business is dependent upon our ability to manage our manufacturing facilities, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Any significant malfunction or breakdown of our machinery may entail significant repair and maintenance costs and cause delays in our operations. If we are unable to repair breakdown of machinery in a timely manner or at all, our operations may need to be suspended until we procure new machinery to replace the same. In addition, we may be required to carry out planned shutdowns of our facilities for maintenance, statutory inspections and testing, or may shut down certain facilities for capacity expansion and equipment upgrades.

Obsolescence, destruction, theft or breakdowns of our machineries may significantly increase our machineries purchase cost and the depreciation of our plants and machineries, as well as change the way our management estimates the useful life

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of our plants and machineries. In such cases, we may not be able to acquire new plants or machineries or repair the damaged plants or machineries in time or at all. Some of our major machineries or parts may be costly to replace or repair. We may experience significant price increases due to supply shortages, inflation, transportation difficulties or unavailability. Such obsolescence, destruction, theft, breakdowns, repair or maintenance failures or price increases may not be adequately covered by the insurance policies availed by our Company and may have an effect our business, cash flows, financial condition and results of operations

Although we have not experienced any significant disruptions at our manufacturing facilities in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shut-down of our operations or under-utilization of our manufacturing facilities, which in turn may have an adverse effect on our business, results of operations and financial condition. Any slowdown or shutdown in our manufacturing operations or underutilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.

**4. Our Company is involved in certain legal proceedings and potential litigations. Any adverse decision in such proceedings may render us liable to liabilities/penalties/prosecutions and may adversely affect our business and results of operations.**

Our Company is currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts, tribunals, and government departments. The summary of outstanding litigation in relation to taxation matters, criminal laws filed by or against our Company have been set out below.

*Litigations involving our Company:-*

<b>Nature of Case</b>	<b>Number of Cases</b>	<b>Amount Involved (to the extent quantifiable)</b>
<b><i>Company</i></b>		
Direct	Nil	Nil
Indirect - GST*	2	Unascertainable
<b><i>Directors &amp; Promoters</i></b>		
Direct	Nil	Nil
Indirect	Nil	Nil

*\*For the Financial year 2017-2018 and 2018-2019 the company has two outstanding GST proceedings containing the reasons for the discrepancies found in the GSTR-3B.*

For further details, see “**Outstanding Litigation and Material Developments**” beginning on page 201 of this Draft Prospectus. Any adverse decisions in the aforesaid proceedings may have a material effect on our business, future financial performance and results of operations. If the courts or tribunals rule against our Company we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**5. The demand of our specialty oils and lubricants products in foreign countries is subject to international market conditions and regulatory risks that could adversely affect our business and results of operations.**

We export our specialty oils and lubricants products in countries like: Guyana, Oman, Qatar, Vietnam, Sri Lanka, Sierre Leone, Zambia, Bangladesh, Chile etc. For the stub period ended on December 31, 2021 and Fiscal 2021, 2020 and 2019, our sales from exports were Rs 857.82 lakhs, Rs 958.18 lakhs, Rs 550.80 Lakhs and Rs 350.35 lakhs respectively. Therefore, any adverse developments in the industries in which our customers operate outside India, could have an impact on our sales from exports. From time to time, tariffs, quotas and other tariff and non-tariff trade barriers may be imposed on our products in jurisdictions in which we sell such products. There can be no assurance that the foreign countries, where we seek to sell our specialty oils and lubricants products will not impose trade restrictions on us in future. We may also be prohibited from exporting to certain restricted countries that may be added to a sanctions list maintained by the Government of India or other foreign governments, such as the Specially Designated Nationals and Blocked Persons list maintained by the Office of Foreign Assets Control of the US Department of Treasury in the United States. Any such imposition of trade barriers may have an adverse effect on our results of operations and financial condition.

**6. *We are subject to risks associated in relation to our agreement with XADO group.***

Our company has entered into a Strategic partnership with the subsidiary company of Ukraine based XADO group, XADO Trading FZ LLC on August 21, 2021 valid upto August 31, 2022 for manufacturing and marketing of products made with special additive technology called “Revitalizant” additives supplied by XADO. There has been unrest in Ukraine due to outbreak of war between Russia and Ukraine which began on February 24, 2022. Accordingly all the business operations in Ukraine have disrupted and we are facing challenges or delays to source raw materials from XADO in connection with the operations of products related to its technology. If the severity persists, it may affect our revenue from sale of XADO driven products “ARZOL PROBUZ” and “ARZOL REVERTO” in future. Our sales from the XADO driven products for the stub period ended December 31, 2021 and FY 20-21 are Rs. 28.22 lakhs and Rs 51.65 lakhs respectively.

Furthermore, we may not be able to access such technology and know-how in the event of any discontinuation, disruption, termination, non-renewal or breach of the contract, resulting in an adverse impact on our business and financial condition. There can be no assurance that we will always be successful at managing our strategic partnership with XADO. In the event any risks in relation to our relationship with XADO materialize, our results of operations and financial condition may be adversely affected.

**7. *We rely on third parties for transportation of raw materials to our manufacturing facilities and for transportation of our finished products to our dealers, distributors, depots and customers and any disruption in our transportation arrangements or increases in transportation costs may adversely affect our business, results of operations and financial condition.***

The success of our business depends largely on third party transportation services both for supply of our raw materials and for delivery of our finished goods. A delay in the delivery of our raw materials to our manufacturing facilities may result in the slowdown or shutdown of our operations. We are exposed to fluctuations in transportation costs. Also, if the terms offered to such logistic providers by our competitors are more favorable than those offered by us they may decline to provide their services to us. We may also be affected by transport strikes, which may affect our delivery schedules. If we are unable to secure alternate transport arrangements in a timely manner and at an acceptable cost, or at all, our business, results of operations and financial condition may be adversely affected. Further, we cannot assure you that we will be successful in continuing to receive uninterrupted, quality service from such third parties transporters on whom we rely for all of our current and future logistics requirements. Any disruption or inefficiencies in the operations of these third parties may adversely affect our business and results of operations.

**8. *Any delay or default in payment from our distributors and customers could result in the reduction of our profits and affect our cash flows.***

We extend credit to certain of our customers and distributors. Consequently, we are exposed to the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result we have and may continue to have relatively high levels of outstanding receivables and there may be an impact on our cash flow statement. As of December 31, 2021, our trade receivables were ₹ 3458.15 lakhs. If a significant number of our customers and distributors default in making these payments our profits margins could be adversely affected. Our financial position and profitability therefore depend on the credit-worthiness of our distributors and customers.

Certain of these customers and distributors may have weak credit histories and we cannot assure that these counterparties will always be able to pay us in a timely manner, if at all. Any change in the financial condition of these counterparties that adversely affects their ability to pay us may affect our results of operations and financial condition. Further, we cannot assure you that in the future we will not extend credit to our customers and distributors.

**9. *There are certain discrepancies/errors noticed in some of our corporate records relating to forms filed with the Registrar of Companies and other provisions of Companies Act, 1956/2013. Any penalty or action taken by any regulatory authorities in future, for non-compliance with provisions of corporate and other law could impact the reputation and financial position of the Company to that extent.***

Our company has missed to comply with certain statutory provisions in the past including but not limited to the details as mentioned in this risk factor There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which includes clerical errors in the Form AOC-4 for FY 19-20 filed by our Company

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where the Auditors report was not attached and the UDIN generated for the financial statements was not disclosed in the Balance Sheet filed with ROC. Similarly in FY 2017-18 the signatories for Balance Sheet were Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta, however the resolution for adoption of said annual accounts erroneously empowered Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta as its signatories.

The Company has not filed certain ROC forms such as Form 2 for allotment of equity shares in FY 2008-09 to our Promoter and Managing Director, Mr. Hemant Dalsukhrai Mehta, however the same was updated in the Annual Return and the Balance Sheet of the company for FY 2008-09. Moreover there was a clerical error in the amount of premium disclosed in form 2 in respect of 50 equity shares allotted to Hemant Dalsukhrai Mehta on December 28, 2009.

Moreover our company has not filed Form MGT – 14 for approval of Board Report and Annual Financial Statement for the FY 2015 to FY 2017, for conversion of loan into equity vide resolution dated March 30, 2015, for approval of availing credit services from Axis Bank Limited vide Board Resolution dated May 30, 2016 and May 26, 2017 and from Kotak Mahindra Bank Limited vide Board Resolution dated May 05, 2018 and for extending corporate guarantee under section 186 to one of its employees for availing housing loan.

We have also observed some discrepancies in relation to appointment of Directors like while filing the Form 32 for appointment of first directors, Mr. Hemant Dalsukhrai Mehta and Mr. Darshana Hemant Mehta, the category of director was erroneously selected as non-executive independent director, however they were originally appointed as executive directors and were subscribers to the Memorandum of Association of the company. Subsequently our company identified the error in the February 2020 and had consequently filed form DIR-12 for change in designation from non-executive independent to executive director. Although, no show cause notice in respect of the non-compliance has been received by the Company till date, any penalty imposed for such non-compliance in future by the any regulatory authority could affect our financial conditions to that extent. In case of any action being taken by the regulatory authorities against the Company and/or its officers, the same may have an adverse effect on our business and reputation.

Our company has not complied with certain Accounting Standards such as AS-15, AS-18 and AS-22 however the same have been duly complied by the company in the restated financial statements. Further, there are certain forms which are filed with delayed fees with RoC. Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

***10. Our success depends on our ability to develop and commercialize new or customized products in a timely manner. If such new or customized products are not developed successfully our business, growth and financial condition may be adversely affected.***

In order to remain competitive, we must develop, test and manufacture new or customized products, which must meet the technical specifications and quality standards of our customers. We continuously seek to identify changing trends and introduce innovative products to value add and improve the functionality of the products manufactured by our customers. To accomplish this, we commit substantial effort and other resources towards in our manufacturing process. However it is uncertain that the dedicated resources will be able to derive appropriate formulations to meet customers' requirements and satisfaction.

Before we can commercialize a new product, we must also simultaneously scale up our production and distribution networks. There can be no assurance that we will be able to scale up our production and distribution network in order to commercialize new products in a timely manner. Further, research undertaken by competitors may lead to the launch of competing or improved products. Failure to predict and respond effectively to this competition could render our existing, new or candidate products less competitive in terms of price and quality.

***11. We are dependent on the growth prospects of the automobile industry and other industrial sectors.***

The Indian lubricants industry is segmented in two major categories; automobile segment and industrial segment. Our revenues are directly linked to the automobile industry and other industrial sectors such as pharmaceutical, FMCG, chemicals, steel, rubber and tyre, power, civil engineering, electrical appliances, textile, chemical, cables and conductors. For the stub period ended on December 31, 2021 and FY 2020-21, 2019-20 and 2018-19, the sales of Automotive Lubricant as a percentage of total sales were Rs 6277.39 lakhs, Rs 4651.84 lakhs, Rs 3021.80 lakhs and Rs 2106.96 lakhs respectively and that from Industrial Lubricant were Rs 7699.36 lakhs, Rs 6338.16 lakhs, Rs 5365.93 lakhs and Rs 5646.64 lakhs

respectively. Any slowdown or lack of growth in these sectors would have a material adverse impact on the demand and pricing of our products and services, which would have a material adverse impact on our results of operations and financial condition.

Furthermore as the move and initiative towards electric vehicles steadily gains speed, the demand for automotive lubricants may fall. For example, engine oil is the most commonly used lubricant in the automotive industry. Since the electric vehicles do not have internal combustion engine, they do not need engine oil and also require little amount of greases and other lubricant products for smooth functioning. Similarly the electric vehicles are designed such that various other lubricants like: transmission fluid, gearbox oil etc are not required. Thus introduction of electric vehicles will shift demand of automotive lubricants and we may need to develop specialty lubricants for electric vehicles, helping to put new mobility solutions on the fast track. The successful development of such corresponding new lubrication solutions is not certain. This downsizing, however, will bring about new challenges and we may not be able to develop suitable or sustainable products for the same.

***12. We currently avail benefits under certain export promotion schemes. In order to continuously avail the benefits we are required to export goods of a defined amount. Any failure in meeting the obligations, may adversely affect our financial condition.***

We currently avail benefits under certain export promotion schemes which allow us duty free import of inputs used for manufacturing and availing customs duty drawbacks. As per the licensing requirement under the said schemes, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. Our outstanding export obligation under the said Advance Authorization License is Rs 205.69 lakhs as on March 31, 2022. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business, results of operations and financial condition.

***13. We are subject to strict quality requirements, customer inspections and audits, and any failure to comply with quality standards may lead to cancellation of existing and future orders and could negatively impact our reputation and our business and results of operations and future prospects.***

We are engaged in the business of manufacturing automotive and industrial lubricants and speciality oils. We develop and manufacture customized products also based on specific requirements of our customers. Given the nature of our products and solutions, and the sector in which we operate, we believe that our customers have high standards for product quality and delivery schedules. Adherence to quality standards is a critical factor as any defect in our products or failure to comply with the specifications of our customers may, in turn, lead to the disruption in operations of their automobiles or machineries. This may lead to cancellation of supply orders or at certain instances may impose additional costs in the form of product liability and/or product recall. Further our facilities, process and products are exposed to regular inspection and audits by our customers to ensure that their internal standards are appropriately met. Any non-compliance during inspection/audit may have an adverse impact on our business, financial condition, results of operations and future prospects.

Although we conduct various tests before procurement of raw materials, there can be no assurance that such testing and verification on quality of the raw material checks conducted by us will be accurate at all times. Most applications of lubricants and speciality oils require that they be non resinous, pale-colored, odorless, and oxidation-resistant. Various physical and chemical tests are used to classify and determine the grade of lubricant. Common physical tests include measurements for viscosity, specific gravity, and color, while typical chemical tests include those for flash and fire points. Thus our quality control may fail to test for some possible conditions of use. Any negative publicity regarding our Company or our products could adversely affect our reputation, our operations and our results from operations.

***14. Our business is substantially dependent on our ability to accurately carry out the pre-bidding studies for potential contracts. Any deviation during the execution of the contract as compared to our pre-bid estimates could have a material adverse effect on our cash flows, results of operations and financial condition.***

We carry out the pre-bidding analysis for the potential contracts considering various elements including financial and technical factors. However, such analysis may not enable us to assure the accuracy of such studies. The accuracy of the pre-bidding studies is dependent on the key elements like preparing requirement of raw materials, adherence to manufacturing processes, complying to quality standards, planning to meet delivery schedules etc. Any deviation during the

implementation and operation of the contract as compared to our pre-bid estimates could have a material adverse effect on our cash flows, future business operations and financial condition.

***15. Our Company operates under several statutory and regulatory approvals in respect of our operations. Failure to obtain or maintain licenses, registrations, permits and approvals may affect our business and results of operations.***

We are governed by various laws and regulations for our business and operations. We are engaged in the business of manufacturing lubricants and specialty oils. In this relation, our Company has obtained necessary approvals to successfully carry out its operations, but there is no assurance that there are no other statutory/regulatory requirements which we are required to be complied with. The approvals, licenses, registrations and permits obtained by us may contain conditions, some of which could be onerous. Our company is yet to apply for registration of establishments as principal employer for employing contract labour under contract labour act, 1970 and for quality certification for its factory 2.

We cannot assure you that the approvals, licenses, registrations and permits required will be issued to us and those already issued will not be suspended or revoked in the event of non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any denial, suspension or revocation of the approvals, licenses, registrations and permits that has been or may be issued to us may affect our business and results of operations. Also some of the registration certificate of our company does not carry the present address of the registered office of the company. The same needs to be updated in the records of concerned authorities. While we endeavor to comply with applicable regulatory requirements, it is possible that such compliance measures may restrict our business and operations, result in increased cost and onerous compliance measures and an inability to comply with such regulatory requirements may attract penalty. For further details regarding the material approvals, licenses, registrations and permits, which have not been obtained by our Company or are, pending renewal, see ***“Government and Other Approvals”*** on page 204 of this Draft Prospectus.

***16. We have significant working capital requirements. If we experience insufficient cash flows from our operations or are unable to borrow to meet our working capital requirements, it may materially and adversely affect our business, cash flows and results of operations.***

Our business requires significant working capital including in connection with our manufacturing operations, financing our inventory, providing bank guarantees, purchase of raw materials and our development of new or customized products which may be adversely affected by changes in terms of credit and payment. Delays in payment under on-going contracts or reduction of advance payments due to lower order intake or inventory and work in progress increases and/or accelerated payments to suppliers, fixed deposits to facilitate bank guarantees to our customers, could adversely affect our working capital, lower our cash flows and materially increase the amount of working capital to be funded. We may also be unable to adequately finance our working capital requirements on account of various factors, including extraneous factors such as delay in disbursements under our financing arrangements, increased interest rates, insurance or other costs, or borrowing and lending restrictions or finance our working capital requirements on commercially acceptable terms or at all, each of which may have a material adverse effect on our business, financial condition, prospects and results of operations. Continued increase in our working capital requirements may have an adverse effect on our financial condition and results of operations. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

***17. We do not have long term agreements with our customers and suppliers***

We do not have long term agreements with our customers and suppliers. As a result, our customers can terminate their relationships with us due to a change in preference or any other reason upon relatively short notice, which could materially and adversely impact our business and inventory levels. Consequently, our revenue may be subject to variability because of fluctuations in demand for our products. Our Company's customers have no obligation to place order with us and may either cancel, reduce or delay orders. The orders placed by our Company's customers are dependent on factors such as our ability to price our products in competitive manner, customer satisfaction, fluctuation in demand for our products, customers' inventory management, amongst others. Although, we have a strong emphasis on quality, timely delivery of our products and personal interaction with the customers, any change in the buying pattern of customers can adversely affect the business of our Company. While we have been able to maintain long-term relations with our customers, we cannot assure that we will be able to retain them on similar terms or at all.

Our revenues also depend on our ability to qualify for and win bids for Government tenders. We participate in competitive bidding process based on, among other things, pricing, technical and technological expertise, reputation for quality, financing capabilities and track record. The bidding and selection process is affected by a number of factors, including factors which may be beyond our control, such as market conditions, project delays, external economic or political factors. Any increase in competition during the bidding process or reduction in our competitive capabilities could have a material adverse effect on our market share.

Similarly, the success of our business is significantly dependent on maintaining good relationships with our suppliers. Absence of long term supply contracts subject us to risks such as price volatility, unavailability of certain raw materials in the short term and failure to source critical raw materials in time, which would result in a delay in manufacturing of the final product. Any delay in supplying products in accordance with the terms and conditions of the purchase orders, such as delivery within a specified time, could result in the customer refusing to accept our products, which could have an adverse effect on our business and reputation. Further, we cannot assure you that we will be able to enter into new or renew our existing arrangements with suppliers on terms acceptable to us, which could have an adverse effect on our ability to source raw materials in a commercially viable and timely manner.

***18. Our insurance coverage may not be adequate to protect us against all potential losses to which we may be subject and this may have a material effect on our business and financial condition.***

While we have insured our warehouses with Business Suraksha Classik for stock of lubricating oils situated at Aurangabad, Gurugram, Indore, Nagpur, Rajkot and Ludhiana, Future Generali Bharat Laghu Udyam Suraksha Policy for Fire Insurance of Building Plant & Machinery and Stock for both our factories, Trade Credit Insurance Policy, Group Medishield Insurance Policy, Long term Two Wheeler Insurance Policy, Motor Secure Insurance Policy, Marine Cargo Insurance, Public Liability Insurance, and Group Personal Accident Policy for our employees. However, we may not have sufficient insurance coverage to cover all possible economic losses, including when the loss suffered is not easily quantifiable. We have not insured our risks pertaining to Machinery Breakdown, Cash in transit, Keyman Insurance Policy. The absence of such policies may affect our production facilities to halt, and may hinder our operations. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Additionally, there may be various other risks and losses for which we are not insured either because such risks are uninsurable or not insurable on commercially acceptable terms. The occurrence of an event for which we are not adequately or sufficiently insured could have an effect on our business, results of operations, financial condition and cash flows. For further details of our Insurance Policies, please refer section titled ***“Our Business”*** beginning on page 95 of this Draft Prospectus.

***19. We are dependent on our Promoters, our senior management and other key personnel, and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.***

Our performance depends largely on the efforts and abilities of our senior management and other key personnel. They have gained experience in this line of business and have over the years built relations with our suppliers, third party service providers, customers, regulators and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for research and development activities, product development or customization, tender bidding process, successful delivery of products and our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see ***“Our Management”*** on page 124 of this Draft Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

***20. Our manufacturing activities require deployment of labour and depend on availability of labour. In case of unavailability of such labour, our business operations could be affected.***

Our manufacturing operations require deployment and our ability to retain labour. In case such labour workforce is unavailable, or we are unable to identify and retain such labour our business could be adversely affected. We cannot

guarantee that we may be able to continue with the same on favourable terms or at all. Any such failure may impact the operations, business process and profitability. Additionally, there have been amendments in the Labour and Employment related laws, which may have a direct impact on our employee costs and consequently, on our margins. Further, latest amendments in labour laws in India may lead to increasing cost of compliance, wages, social security, Occupational Safety, Health and Working Conditions. We cannot assure you that we will continue to comply with all these labour related laws and that as we continue to grow our business in the future, our labour and employee costs coupled with operating compliances and expenses will not significantly increase.

**21. *Our manufacturing facilities are located on leased premises and our corporate office and warehouses are availed on rent. If we are unable to renew these leases or relocate on commercially suitable terms, it may have a material adverse effect on our business, results of operation and financial condition.***

Our manufacturing facilities situated at Ambernath are located on premises obtained on long term lease from the MIDC. Though we have entered into long-term lease agreements with respect to these lands, such lease agreements may be terminated early in the event of a default or upon the expiry of their tenure and may not be renewed. For details, see “**Our Business - Property**” on page 95. Additionally, the lease agreements require our Company to comply with certain conditions including prior consent of the lessor for certain actions such as making significant structural alterations, subletting, transferring or assigning the leased premises. If we fail to meet any such conditions, we may be required to incur additional liability.

In addition, our corporate office situated at Mulund, Mumbai has been obtained through leave and license agreement and all are company operated warehouses are availed based on Carrying and Forwarding Agreements with third parties. While we always seek to ensure through various means good title to property used by us, our rights in respect of these properties may be compromised by improperly executed, unregistered or insufficiently stamped agreements. If these agreements are terminated or revoked due to absence of prior consent from MIDC for any reason or if we are unable to renew these agreements on commercially reasonable terms or at all, we may suffer significant disruptions to our operations and incur considerable costs to relocate and move our operations elsewhere. In the event we are required to vacate the premises, we may need to do with short or no notice. Any inability on our part to timely identify a suitable location could have an adverse impact on our business.

**22. *The Trademarks used by our Company are not registered or owned by us. Thus, we may be subject to claims alleging breach of third-party intellectual property rights. Failure to protect our intellectual property rights may adversely affect our competitive business position, financial condition and profitability.***



The logo used by our company is not registered under the Trade Marks Act, 1999 and we do not enjoy the statutory protections accorded to a registered trademark. We are therefore subject to the various risks arising out of the same, including but not limited to infringement or passing off our name and logo by a third party. However the word mark **ARZOL** (ARZOL) is registered in the name of our Promoter and Whole Time Director, Mr. Manan Hemant Mehta and is used by company vide Memorandum of Understanding between Mr. Manan Hemant Mehta and our company dated April



01, 2016 valid for a period of 15 years. Further the trademark (SPL LUBRICANTS) is registered in the name of our Promoter and Managing Director, Mr. Hemant Dalsukhrai Mehta and is used by company vide Memorandum of Understanding between Mr. Hemant Dalsukhrai Mehta and our company dated April 01, 2016 valid for a period of 15 years. We do not enjoy the statutory protections accorded to a registered trademark until the same is registered in our name. Also, we may not be able to identify or prevent any unauthorized use of any of the trademark we are currently using for our business operations.

Our Company is in use of the aforesaid trademark in its regular business operations. In the event if any injunctive or other adverse order is issued against us in respect of the said trademark, we may not be able to avail the legal protection and may be subject to claims alleging breach of third-party intellectual property rights, which may adversely affect our goodwill, business and results of operations. In the event that the MOU for the said Trademark is not renewed, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources advertising

and marketing new brand. For further details on the trademarks, please refer to Chapter titled “*Government and Other Approvals*” beginning on page 204 of this Draft Prospectus.

- 23. *We operate in a competitive business environment and are also exposed to the risk of losing market share to cheaper imports from other countries. Failure to compete effectively against our competitors and new entrants to the industry may adversely affect our business, financial condition and results of operations***

The business of manufacturing of lubricants is very competitive. We compete on the basis of our ability to fulfil our contractual obligations including the quality and timely delivery of products. Our competitors may have substantially greater financial, management, research and marketing resources than we have as a result of which they may be able to utilise their resources and economies of scale to develop improved products, divert sales away from us by winning broader contracts or hire our employees by offering more lucrative compensation packages. Furthermore, we operate in a globally competitive industry and face competition from lubricant manufacturers from other countries as well. Some of our global competitors may have certain advantages, including low cost labour, low input cost, greater financial resources, technology, research and development capability, greater market penetration and operations in India and product portfolios, which may allow our competitors to offer their products competing with ours in terms of price and quality. There is no assurance that we will remain competitive and be able to match the low cost imports from other countries. Our competitors may be able to provide our customers, with different or greater capabilities or benefits than we can provide in areas such as technology, technical qualifications, post contract performance. Our failure to compete effectively with respect to any of these or other factors could have a material adverse effect on our business, prospects, financial condition or operating results. In such a scenario, we may find difficulties in maintaining our position in the market.

- 24. *Fluctuation in foreign currency exchange rates could affect our financial condition and results of operations.***

Our business involves import and export transactions with foreign companies, which is paid or received in U.S. Dollars or other foreign currencies. A depreciation of Rupee against these foreign currencies would mean that our import of raw materials would become expensive and will impact our cost of production. During the stub period ended on December 31, 2021 and FY 2020-21 the imports accounted for approximately Rs. 832.27 lakhs and Rs. 393.12 lakhs respectively. Similarly any appreciation of Rupee against these foreign currencies would adversely affect the export value of our products. During the stub period ended on December 31, 2021 and FY 2020-21 the exports accounted for approximately Rs. 857.82 lakhs and Rs. 958.18 lakhs respectively. The exchange rate between the Rupee and these foreign currencies has fluctuated substantially in recent years and may continue to fluctuate significantly in the future. We bear the complete risk of currency exchange rate fluctuations.

- 25. *Inventories and trade receivables form a major part of our current assets. Failure to manage our inventory and trade receivables could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

Our Company’s business is working capital intensive and hence, inventories and trade receivables form a major part of our current assets. The results of operations of our business are dependent on our ability to effectively manage our inventory (raw materials, work in progress and finished goods) and trade receivables. To effectively manage our inventory, we must be able to accurately estimate customer demand / potential orders and supply requirements and purchase new inventory accordingly. However, if we misjudge expected customer demand / potential orders, it could cause either a shortage of products or an accumulation of excess inventory. During the stub period ended on December 31, 2021 and FY 2020-21, 2019-20 and 2018-19 our inventories were Rs 2282.31 lakhs Rs 1565.21 lakhs Rs 805.61 lakhs Rs 694.18 lakhs. Further, if we fail to convert the inventory we purchase by manufacturing our products, we may be required to write-down our inventory or pay our suppliers without new purchases, or create additional vendor financing, all of which could have an adverse impact on our income and cash flows.

To effectively manage our trade receivables, we must be able to accurately evaluate the credit worthiness of our customers and ensure that suitable terms and conditions are given to them in order to ensure our continued relationship with them. However, we have insured some of our trade receivables through Trade Credit Insurance Policy, if we fail to accurately evaluate the credit worthiness of our customers, it may lead to bad debts, delays in recoveries and / or write-offs which could lead to a liquidity crunch, thereby adversely affecting our business and results of operations. During the stub period ended on December 31, 2021 and FY 2020-21, 2019-20 and 2018-19 our trade receivables were Rs 3458.15, Rs 2,281.50 lakhs, Rs 1719.41 lakhs, Rs 1749.35 lakhs. We also maintained Cash and Cash equivalents of Rs 77.80 lakhs, Rs 21.02 lakhs Rs 104.89 lakhs, Rs 23.53 lakhs during the stub period ended on December 31, 2021 and FY 2020-21, 2019-20 and

## **ARABIAN PETROLEUM LIMITED**

2018-19 respectively for providing Bank Guarantees to our customers. A liquidity crunch may also result in case of increased working capital borrowings and, consequently, higher finance cost which will adversely impact our profitability.

26. ***We have significant power requirements for continuous running of our factory. Any disruption to our operations on account of interruption in power supply or any irregular or significant hike in their tariffs may have an effect on our business, results of operations and financial condition.***

Our factory has significant electricity requirements and any interruption in power supply to our factory may disrupt our operations. Our business and financial results may be affected by any disruption of operations due to lack of essential utilities. We currently depend on state electricity supply for our energy requirements, as well as backup generators at our facilities. We cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity in a timely manner, and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition.

27. ***Our contingent liabilities as stated in our Restated Financial Statements could affect our financial condition.***

Our Contingent liability as on December 31, 2021 was Rs. 70.83 Lakhs. If this contingent liability materializes, fully or partly, the financial condition of our Company could be affected.

(Amt in Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts (Indirect Tax Matters)	-	-	-	-
Bank Guarantees given by the Company	45.10	42.81	42.50	-
<b>Total</b>	<b>45.10</b>	<b>42.81</b>	<b>42.50</b>	<b>-</b>

For more information, regarding our contingent liabilities, please refer “*Note Y*” in chapter titled “*Financial Information of the Company*” beginning on page 144 of this Draft Prospectus.

28. ***If we are unable to manage our growth effectively, our business, future financial performance and results of operations could be materially and adversely affected.***

The success of our business will depend greatly on our ability to effectively implement our operational and growth strategies. As a part of our growth strategy, we aim to, among other things, continue to grow our businesses as and when opportunities exist including Strengthening our Industrial and Automotive lubricants products portfolio, Expanding our customer reach, distribution network and export sales, Continue to strive for cost efficiency and focus on consistently meeting quality standards. In pursuing our growth strategy, we will require additional capital investments and cash outlays, which may have a material impact on our cash flows and results of operations. Our operating expenses and capital requirements may increase significantly pursuant to our expansion and diversification plans. Our ability to manage our growth effectively requires us to forecast accurately our sales, growth and manufacturing capacity and to expend funds to improve our operational, financial and management controls, reporting systems and procedures. An inability to implement our future business plan, manage our growth effectively or failure to secure the required funding on favourable terms or at all could have a material and adverse effect on our business, future financial performance and results of operations

29. ***Technology failures or Cyber-attacks or other security breaches could have a material adverse effect on our business, results of operation or financial condition***

IT systems are critical to our ability to manage our operations. Our IT systems enable us to coordinate our operations, from planning, production scheduling, raw material ordering, invoicing, delivery, customer relationship, management and decision support. If we do not allocate and effectively manage the resources necessary to build and sustain the proper IT infrastructure, we could be subject to transaction errors, processing inefficiencies, customer service disruptions and, in some instances, loss of customers.

We face cyber threats, threats to the physical security of our facilities and employees, the potential for business disruptions associated with IT failures, natural disasters, or public health crises. We have installed anti-virus software to prevent our

systems and infrastructure from being infected and crippled by computer viruses. All our internet facing servers installed at all our data centres as well as at all our offices are also secured with firewalls and intrusion preventions systems to prevent hacking. If we are unable to protect sensitive information, our customers or governmental authorities could question the adequacy of our threat mitigation and detection processes and procedures. Due to the evolving nature of these security threats, the impact of any future incident cannot be predicted.

- 30. Our Promoters and Promoter Group Members have provided personal guarantees for loan facilities obtained by our Company, and any failure or default by our Company to repay such loans in accordance with the terms and conditions of the financing documents could trigger repayment obligations on them, which may impact their ability to effectively service their obligations and thereby, impact our business and operations.***

Our Promoters Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta and our promoter group member Mrs. Darshana Hemant Mehta have provided personal guarantee towards loan facilities taken by our Company from Kotak Mahindra Bank Limited and Standard Chartered Bank and may continue to provide such guarantees and other securities post listing. Any default or failure by us to repay the loans in a timely manner, or at all could trigger repayment obligations of our guarantors in respect of such loans, which in turn, could have an impact on their ability to effectively service their obligations, thereby having an effect on our business, results of operation and financial condition. Furthermore, in the event that these individuals or companies withdraw or terminate their guarantees, our lenders for such facilities may ask for alternate guarantees, repayment of amounts outstanding under such facilities, or even terminate such facilities. We may not be successful in procuring guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details, please refer to chapter titled ***“Statement of Financial Indebtedness”*** beginning on page 186 of this Draft Prospectus.

- 31. We appoint contract labours for carrying out certain operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.***

In order to retain flexibility and control costs, our Company has appointed independent contractors who in turn engage on-site contract labour for performance of certain operations of the company. Although our Company does not engage these contract labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. Any requirement to fund their wage requirements may have an adverse impact on our financial condition and we may also be subject to legal proceedings in this regard. In the event any regulatory body or court passes orders which require us to regularise any of the casual or contract labourers as regular employees, it may have an adverse effect on our business, results of operations and financial condition due to the various factors including increase in wages.

- 32. Under-utilization of our manufacturing capacities and an inability to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business and results of operations. Moreover, information relating to capacity utilization of our production facilities included in this Draft Prospectus is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.***

Our revenues and profits are dependent on our ability to optimize and maximize our capacity utilization. For the Fiscals 2021, 2020 and 2019 our overall the capacity was utilized to the extent of 38.23%, 50.99% and 98.16% of the total installed capacity. If we are unable to ensure optimal utilization of our manufacturing capacities, we may be unable to produce our products in the required quantities and enjoy benefits of economies of scale, which could have an adverse effect on our business and results of operations. Further information relating to capacity utilization of our production facilities included in this Draft Prospectus is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated production capacities or historical estimated capacity utilization of our facilities. Undue reliance should therefore not be placed on our capacity utilization information for our existing facilities included in this Draft Prospectus. For further information, see the section titled ***“Our Business”*** on page 95 of this Draft Prospectus.

- 33. Invocation of performance bank guarantees by our customers could impact our results of operations and we may face potential liabilities from claims by customers in the future.***

In some of our contracts, we are required to secure performance bank guarantee from nationalised / scheduled commercial banks to be furnished within a few days of the signing of a contract and remain valid up to execution of the contract. For the stub period ended on December 31, 2021 and the Fiscals ended 2021 and 2020 we have outstanding bank guarantee for ₹ 45.10 lakhs, 42.81 lakhs and 42.50 lakhs respectively. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition. We may not be able to continue obtaining new financial and performance bank guarantees required to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts could be limited and could have a material adverse effect on our business, results of operations and financial condition. Providing security to obtain letters of credit, financial and performance bank guarantees also increases our working capital requirements. Also, there may be scenarios where we may be unable to fulfill our obligations under the contracts entered into by us due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. The invocation of such performance bank guarantees in relation to our contracts could have an adverse effect on our business, results of operation, and financial condition ***Our Company has taken unsecured loans that may be recalled by the lenders at any time.***

Our Company have availed unsecured loans which may be called by its lenders at any time. As on December 31, 2021 the unsecured loan amounting Rs. 235.56 lakhs were due to lenders. In the event that lender seeks a repayment of any such loan, our Company would need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. Also there is no formal agreement with any of our lenders. As a result, any such demand may affect our business, cash flows, financial condition and results of operations. For further details on financing arrangements entered into by our Company, please refer chapter titled ***“Statement of Financial Indebtedness”*** beginning on page 186 of Draft Prospectus.

***34. Excessive dependence on Kotak Mahindra Bank Limited and Standard Chartered Bank in respect of Loan facilities obtained by our Company.***

Our company has been sanctioned credit facilities by Kotak Mahindra Bank and Standard Chartered Bank. The Company is dependent on such facility for its Term loan, Working Capital, Foreign Currency term loan, Overdraft Facilities and other funding requirement and any default under such arrangement with such lender may create problem for operation of the Company, which may affect the financial stability of the Company. At the same time this may result into difficulty in arranging for funds for re-payment and may also adversely affect the financial position of the Company.

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

We are subject to various regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the clean-up of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to further invest in, among other things, environmental monitoring, pollution control equipment, and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing plant.

***36. Our Company has during the preceding one year from the date of the Draft Prospectus have allotted Equity Shares at a price which is lower than the Issue Price.***

In the last 12 months, we have made allotments of Equity Shares through bonus issue of shares to our promoter and promoter group members, which is lower than the Issue Price. For details relating to number of shares issued, date of allotment etc. please refer to section titled ***“Capital Structure”*** on page 53 of this Draft Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

***37. We are subject to certain restrictive covenants in debt facilities provided to us by our lenders.***

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business.

For further details in this regard, please refer to chapter titled **“Statement of Financial Indebtedness”** beginning on page 186 of this Draft Prospectus.

- 38. *We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our Company’s financial condition and results of operations.***

Our Company has entered into various transactions with our Directors, Promoters and Promoter Group members. These transactions, inter-alia includes, remuneration, royalty paid, purchase, sales, loans received, loan repaid/ given, etc. For details, please refer to **“Note Z - Related Party Transactions”** under Section titled **“Financial Information of the Company”** and Chapter titled **“Capital Structure”** beginning on page 181 and 53 respectively of this Draft Prospectus. Our Company has entered into such transactions due to easy proximity and quick execution. While we believe that all such transactions have been conducted on an arm’s length basis and in the ordinary course of business, there can be no assurance that we could not have achieved more favorable terms had such transactions not been entered into with related parties.

Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

- 39. *Changes in technology may render our current technologies obsolete or require us to make substantial investments.***

Modernization and technology up gradation is essential to reduce costs and increase the output. Our technology and machineries may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed updated technology, we shall continue to strive to keep our technology, plant and machinery in line with the latest technological standards. In case of a new found technology in the industry in which we operate, we may be required to implement new technology or upgrade the machineries and other equipment employed by us. Further, the costs in upgrading our technology and modernizing the plant and machineries are significant which could substantially affect our finances and operations.

- 40. *The average cost of acquisition of Equity Shares by our Promoters, is lower than the face value of Equity Share.***

The average cost of acquisition of Equity Shares of our Promoter is lower than the face value of Equity Shares i.e. ₹10/-. For further details regarding the average cost of acquisition of Equity Shares by our Promoter in our Company and build-up of Equity Shares of our Promoter in our Company, please see section titled **“Capital Structure”** beginning on page 53 of this Draft Prospectus.

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

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

- 42. *We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule.***

The proposed fund requirement as detailed in the section titled **“Objects of the Issue”** is to be funded from the proceeds of

this Issue. We have not identified any alternate source of funding and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds may delay the implementation schedule. We therefore, cannot assure that we would be able to execute our future plans/strategy within the given timeframe. For details, please refer to the Chapter titled “*Objects of the Issue*” beginning on page 73 of this Draft Prospectus.

***43. Any Penalty or demand raised by statutory authorities in future will affect our financial position of the Company.***

Our Company is engaged in the manufacturing business, which attracts tax liability such as Goods and Service tax and Income tax as per the applicable provisions of Law. We are also subject to the labour laws like depositing of contributions with Provident Fund, Employee State Insurance and Professional Tax. Any demand or penalty raised by the concerned authority in future for any previous year and current year will affect the financial position of the Company.

***44. The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at our discretion, based on the parameters as mentioned in the chapter titled “*Objects of the Issue*”. The fund requirement and deployment, as mentioned in the “*Objects of the Issue*” on page 73 of this Draft Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter “*Objects of the Issue*” is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter “*Objects of the Issue*” will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

***45. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.***

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value. For details of our Dividend history refer to the Section “*Dividend Policy*” on page 143 of the Draft Prospectus.

***46. There is no monitoring agency appointed by Our Company to monitor the utilization of the Issue proceeds.***

As per SEBI (ICDR) Regulations, 2018, as amended, appointment of monitoring agency is required only for Issue size above Rs. 10,000.00 Lacs. Hence, we have not appointed any monitoring agency to monitor the utilization of Issue proceeds. However, the audit committee of our Board will monitor the utilization of Issue proceeds in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, our Company shall inform about material deviations in the utilization of Issue proceeds to the stock exchange and shall also simultaneously make the material deviations / adverse comments of the audit committee public.

***47. Our Promoter and the Promoter Group will jointly continue to retain majority shareholding in our Company after the issue, which will allow them to determine the outcome of the matters requiring the approval of shareholders.***

Our promoter along with the promoter group will continue to hold collectively 73.45% of the post issue paid up share capital of the company. As a result of the same, they will be able to exercise significant influence over the control of the outcome of the matter that requires approval of the majority shareholders vote. Such a concentration of the ownership may also have the affect of delaying, preventing or deterring any change in the control of our company. In addition to the above, our promoter and promoter group will continue to have the ability to take actions that are not in, or may conflict with our

interest or the interest of some or all of our minority shareholders and there is no assurance that such action will not have any adverse effect on our future financials or results of operations.

- 48. *We may require further equity issuance, which will lead to dilution of equity and may affect the market price of our Equity Shares or additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure and any future equity offerings by us.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the IPO Proceeds and our internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financings could cause our debt - equity ratio to increase or require us to create charges or liens on our assets in favor of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy.

Any future issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

- 49. *The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the issue price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "***Basis for Issue Price***" beginning on page 78 of the Draft Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

- 50. *Certain data mentioned in this Draft Prospectus has not been independently verified.***

We have not independently verified data from industry publications contained herein and although we believe these sources to be reliable, we cannot assure that they are complete or reliable. Such data may also be produced on a different basis from comparable information compiled with regard to other countries. Therefore, discussions of matters relating to India and its economy are subject to the limitation that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete or unreliable.

- 51. *Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application.***

Pursuant to the SEBI ICDR Regulations, Investors other than retail (including non-institutional investors and Corporate Bodies) are not permitted to withdraw or lower their Application (in terms of quantity of Equity Shares or the Amount) at any stage after submitting an Application. While our Company is required to complete Allotment pursuant to the issue within six Working Days from the issue Closing Date, events affecting the Applicants decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic

conditions, our business, results of operation or financial condition, may arise between the date of submission of the Application and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the applicant's ability to sell the Equity Shares Allotted pursuant to the issue or cause the trading price of the Equity Shares to decline on listing.

**EXTERNAL RISK FACTORS**

**52. *The extent to which the Coronavirus disease (COVID-19) or outbreak of any other severe communicable disease may affect our business and operations in the future is uncertain and cannot be predicted.***

The outbreak, or threatened outbreak, of any severe epidemic caused due to viruses (particularly COVID19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is inadequately controlled. The spread of any severe communicable disease may also adversely affect the operations of our customers and suppliers, which could adversely affect our business, financial condition and results of operations. The outbreak of COVID-19 has resulted in authorities implementing several measures such as travel bans and restrictions, quarantines, shelter in place orders, and shutdowns. These measures have impacted and may further impact our workforce and operations, the operations of our customers, and those of our respective vendors and suppliers. There is currently substantial medical uncertainty regarding COVID-19 and no government-certified treatment is available. A rapid increase in severe cases and deaths where measures taken by governments fail or are lifted prematurely, may cause significant economic disruption in India and in the rest of the world. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain and could be severe. Our ability to meet our ongoing disclosure obligations might be adversely affected, despite our best efforts. If any of our employees were suspected of contracting COVID-19 or any other epidemic disease, this could require us to quarantine some or all of these employees or disinfect the facilities used for our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. Existing insurance coverage may not provide protection for all costs that may arise from all such possible events. We are still assessing our business operations and system supports and the impact COVID-19 may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally or in our sector in particular.

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

Terrorist attacks, civil unrest and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares will trade and also adversely affect the worldwide financial markets. In addition, the Asian region has from time to time experienced instances of civil unrest and hostilities among neighboring countries. Hostilities and tensions may occur in the future and on a wider scale. Military activity or terrorist attacks in India, may result in investor concern about stability in the region, which may adversely affect the price of our Equity Shares. Events of this nature in the future, as well as social and civil unrest within other countries in the world, could influence the Indian economy and could have an adverse effect on the market for securities of Indian companies, including our Equity Shares.

**54. *Our business is dependent on the Indian and global economy.***

The performance and growth of our business is necessarily dependent on economic conditions prevalent in India and abroad, which may be materially and adversely affected by political instability or regional conflicts, a general rise in interest rates, inflation, and economic slowdown elsewhere in the world or otherwise. India's economic growth is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports global economic uncertainty and liquidity crisis, volatility in exchange currency rates and annual rainfall which affects agricultural production. Any continued or future slowdown in the Indian economy or a further increase in inflation could have a material adverse effect on our services and, as a result, on our business and financial results. The Indian financial market and the Indian economy are influenced by economic and market conditions in other

countries, particularly in emerging market in Asian countries. Financial turmoil in Asia, Europe, the U.S. and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability, including the financial crisis and fluctuations in the stock markets in China and further deterioration of credit conditions in the U.S. or European markets, could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business and financial results. As a result, the performance and growth of our business may be dependent on the economic conditions in these regions, and in particular, in India.

***55. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.***

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "**Key Industrial Regulations and Policies.**" beginning on page 111 for details of the laws currently applicable to us. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

***56. Instability in financial markets could materially and adversely affect our results of operations and financial conditions.***

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Any financial turmoil, especially in the United States of America or Europe, may have a negative impact on the Indian economy. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. The global financial turmoil, an outcome of the sub-prime mortgage crisis which originated in the United States of America, led to a loss of investor confidence in worldwide financial markets. Indian financial markets have also experienced the contagion effect of the global financial turmoil, evident from the sharp decline in benchmark index of stock exchanges i.e. NSE-NIFTY and BSE-SENSEX. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

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

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

***58. If certain labour laws become applicable to us, our profitability may be adversely affected.***

India has stringent labour legislations that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. Any change or modification in the existing labour laws may affect our flexibility in formulating labour related policies.

***59. Our performance is linked to the stability of policies and the political situation in India.***

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalization and financial sector reforms. The current Government has announced its general intention to continue India's current economic and financial sector liberalization and deregulation policies.

However, there can be no assurance that such policies will be continued and a significant change in the government's policies in the future could affect business and economic conditions in India and could also adversely affect our business, prospects, financial condition and results of operations.

Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**SECTION IV – INTRODUCTION**

**THE ISSUE**

<b>PRESENT ISSUE IN TERMS OF THIS DRAFT PROSPECTUS</b>	
<b>Equity Shares Offered through Public Issue<sup>(1)</sup></b>	Upto 28,92,000 Equity Shares aggregating up to Rs. [●] lakhs
<b>Of which:</b>	
<b>Issue Reserved for the Market Makers</b>	[●] Equity Shares aggregating up to Rs. [●] lakhs
<b>Net Issue to the Public</b>	[●] Equity Shares aggregating up to Rs. [●] lakhs
<b>Of which</b>	
A. Retail Individual Investors for upto ₹2,00,000	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors <sup>(a)</sup> .
B. Other than Retail Individual Investors for above ₹2,00,000 (including Non- Institutional Investors and Qualified Institutional Buyers)	Not more than [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers <sup>(b)</sup> .
<b>Pre and Post – Issue Equity Shares</b>	
<b>Equity Shares outstanding prior to the Issue</b>	80,00,000 Equity Shares
<b>Equity Shares outstanding after the Issue</b>	1,08,92,000 Equity Shares
<b>Use of Net Proceeds by our Company</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 73 of this Draft Prospectus.

<sup>(1)</sup> Public issue of upto 28,92,000 Equity Shares face value of Rs.10.00 each for cash at a price of Rs. [●] per Equity Share of our Company aggregating to Rs. [●] Lakhs. This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section “*Issue Structure*” beginning on page 229 of this Draft Prospectus.

The present Issue has been authorized by our Board pursuant to a resolution passed at its meeting held on April 06, 2022 and by our Equity Shareholders pursuant to a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra- Ordinary General meeting held on April 09, 2022.

Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- (a) Minimum fifty percent to retail individual investors; and
- (b) Remaining to
  - (i) Individual applicants other than retail individual investors; and
  - (ii) Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for

Provided that the unsubscribed portion in either of the categories specified in (a) or (b) may be allocated to the applicants in the other category

**Explanation:** If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.

For further details regarding the Issue Structure and Procedure, please refer to the chapters titled “*Issue Structure*” and “*Issue Procedure*” beginning on pages 229 and 232 respectively of this Draft Prospectus.

## SUMMARY OF OUR FINANCIALS

ANNEXURE - I  
RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Rs in lakhs)

PARTICULARS		Notes	As at the Year/Period ended			
			31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital	<b>A</b>	200	200	200	200
(b)	Reserves & Surplus	<b>A</b>	1,445.28	1,101.98	814.44	533.21
(c)	Share Application Money		-	-	-	-
			<b>1,645.28</b>	<b>1,301.98</b>	<b>1,014.44</b>	<b>733.21</b>
<b>2.</b>	<b>Non Current Liabilities</b>					
(a)	Long Term Borrowings	<b>B</b>	289.93	399.73	277.03	63.86
(b)	Deferred Tax Liabilities (Net)	<b>C</b>	-	-	-	-
(c)	Long Term Provisions	<b>D</b>	13.88	0.65	8.86	19.97
			<b>303.82</b>	<b>400.37</b>	<b>285.89</b>	<b>83.82</b>
<b>3.</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings	<b>E</b>	2,015.86	1,798.03	1,376.67	1,229.55
(b)	Trade Payables	<b>F</b>	2,792.76	1,230.32	886.44	954.91
(c)	Other Current Liabilities	<b>G</b>	98.67	98.02	115.35	114.84
(d)	Short Term Provisions	<b>H</b>	214.26	203.16	48.06	34.92
			<b>5,121.56</b>	<b>3,329.53</b>	<b>2,426.53</b>	<b>2,334.21</b>
	<b>Total</b>		<b>7,070.66</b>	<b>5,031.88</b>	<b>3,726.85</b>	<b>3,151.24</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b>Non Current Assets</b>					
(a)	Fixed Assets	<b>I</b>				
	D) Tangible Assets					
	(i) Gross Block		1,624.21	1,500.54	1,352.70	859.90
	(ii) Depreciation		619.55	542.00	404.85	333.59
	(iii) Net Block		1,004.67	958.54	947.84	526.31
	II) Intangible Assets					
	(i) Gross Block		6.33	6.33	4.94	2.04
	(ii) Depreciation		5.13	4.34	2.90	1.44
	(iii) Net Block		1.20	1.99	2.04	0.60
	III) Capital WIP		-	2.02	-	-
			<b>1,005.87</b>	<b>962.54</b>	<b>949.88</b>	<b>526.92</b>
(b)	Non-Current Investment	<b>L</b>	-	-	2.00	2.00
(c)	Deferred Tax Assets (Net)	<b>C</b>	11.08	12.03	10.61	15.74
(d)	Long Term Loans and Advances	<b>M</b>	10.10	6.33	6.40	3.13
			<b>21.18</b>	<b>18.36</b>	<b>19.01</b>	<b>20.88</b>
<b>2.</b>	<b>Current Assets</b>					
(a)	Trade Receivables	<b>J</b>	3,458.28	2,281.50	1,719.41	1,749.35
(b)	Cash and Cash equivalents	<b>K</b>	77.80	21.02	104.89	23.53
(c)	Inventories	<b>N</b>	2,282.31	1,565.21	805.61	694.18
(d)	Short-Term Loans and Advances	<b>O</b>	43.04	48.65	37.19	36.50
(e)	Other Current Assets	<b>P</b>	182.18	134.59	90.87	99.88
			<b>6,043.61</b>	<b>4,050.97</b>	<b>2,757.96</b>	<b>2,603.45</b>
	<b>Total</b>		<b>7,070.66</b>	<b>5,031.88</b>	<b>3,726.85</b>	<b>3,151.24</b>

**ANNEXURE - II  
RESTATED STATEMENT OF PROFIT AND LOSS**

*(Rs in lakhs)*

PARTICULARS		Notes	For the Year/ period ended			
			31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>1</b>	<b>Revenue From Operations</b>	<b>Q</b>	14,015.25	10,998.70	8,392.40	7,757.50
<b>2</b>	<b>Other Income</b>	<b>R</b>	35.26	25.83	21.61	37.87
	<b>Total Revenue (1+2)</b>		<b>14,050.51</b>	<b>11,024.54</b>	<b>8,414.01</b>	<b>7,795.36</b>
<b>3</b>	<b>Expenditure</b>					
(a)	Cost of materials consumed	<b>S</b>	12,459.64	8,846.25	6,307.14	6,476.38
(b)	Change In Inventory	<b>T</b>	(873.27)	(134.30)	73.62	(52.88)
(c)	Employee Benefit Expenses	<b>U</b>	648.73	627.42	506.66	417.70
(d)	Finance Cost	<b>W</b>	124.31	122.67	102.42	91.50
(e)	Depreciation and Amortisation Expenses	<b>V</b>	78.33	138.59	72.72	68.64
(f)	Other Expenses	<b>X</b>	1,151.95	1,033.92	974.93	615.37
<b>4</b>	<b>Total Expenditure 3(a) to 3(f)</b>		<b>13,589.69</b>	<b>10,634.55</b>	<b>8,037.51</b>	<b>7,616.72</b>
<b>5</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>		460.82	389.99	376.50	178.65
<b>6</b>	<b>Exceptional item</b>		-	-	-	-
<b>7</b>	<b>Profit/(Loss) Before Tax (5-6)</b>		<b>460.82</b>	<b>389.99</b>	<b>376.50</b>	<b>178.65</b>
<b>8</b>	<b>Tax Expense:</b>					
(a)	Tax Expense for Current Year		116.57	103.87	90.13	57.24
(b)	Short/(Excess) Provision of Earlier Year					
(c)	Deferred Tax		0.95	(1.42)	5.14	(6.96)
	<b>Net Current Tax Expenses</b>		<b>117.52</b>	<b>102.44</b>	<b>95.27</b>	<b>50.28</b>
<b>9</b>	<b>Profit/(Loss) for the Year (5-6)</b>		<b>343.30</b>	<b>287.54</b>	<b>281.23</b>	<b>128.37</b>
<b>10</b>	<b>Earning Per Share</b>					
	Basic		17.17	143.77	140.62	64.18
	Diluted		4.29	3.59	3.52	1.60

**ANNEXURE III**  
**RESTATED CASH FLOW STATEMENT**

(Rs in lakhs)

PARTICULARS	Notes	FOR THE YEAR ENDED			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>A) Cash Flow From Operating Activities :</b>					
Net Profit before tax		460.82	389.99	376.50	178.65
Adjustment for :					
Depreciation and amortization		78.33	138.59	72.72	68.64
Interest Paid		124.31	122.67	93.39	79.76
(Profit) / loss on sale / write off of assets		-	2.00	-	-
<b>Operating profit before working capital changes</b>		663.46	653.25	542.61	327.05
<b>Changes in Working Capital</b>					
(Increase)/Decrease in Trade Receivables		(1,176.77)	(562.09)	29.93	(489.30)
(Increase)/Decrease in Inventory		(717.10)	(759.60)	(111.43)	20.84
(Increase)/Decrease in Other Current Assets		(47.59)	(43.72)	9.01	7.26
Increase/(Decrease) in Trade Payables		1,562.45	343.88	(68.47)	140.32
Increase/(Decrease) in Other Current Liabilities		0.65	(17.33)	0.52	49.50
Cash generated from operations		285.10	(385.62)	402.18	55.66
Less:- Income Taxes paid		(116.57)	(103.87)	(90.13)	(57.24)
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>168.53</b>	<b>(489.49)</b>	<b>312.05</b>	<b>(1.58)</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets including of CWIP		(121.65)	(151.26)	(495.69)	(144.72)
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(121.65)</b>	<b>(151.26)</b>	<b>(495.69)</b>	<b>(144.72)</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital				-	
Increase/(Decrease) in Short Term Borrowings		217.84	421.35	147.12	341.88
Increase/(Decrease) in Long Term Borrowings		(109.79)	122.69	213.18	(175.18)
Interest Paid		(124.31)	(122.67)	(93.39)	(79.76)
Changes in Short Term Provisions		11.10	155.10	13.14	28.07
Changes in Short term loans and advances		5.61	(11.46)	(0.68)	(10.82)
Changes in Long Term Provisions		13.24	(8.21)	(11.11)	19.97
Changes in Long Term Loans and Advances		(3.77)	0.07	(3.27)	-
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>9.91</b>	<b>556.87</b>	<b>264.99</b>	<b>124.17</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	(A+B+C)	56.79	(83.87)	81.35	(22.13)
<b>Cash equivalents at the beginning of the year</b>		21.02	104.89	23.53	45.67
<b>Cash equivalents at the end of the year</b>		<b>77.80</b>	<b>21.02</b>	<b>104.89</b>	<b>23.53</b>

**ARABIAN PETROLEUM LIMITED**

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**Notes:**

1.

	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Component of Cash and Cash equivalents</b>				
Cash on hand	8.76	6.26	8.26	3.99
Balance With banks	14.86	10.84	86.28	9.98
Other Bank Balance		0.003		-
Fixed Deposit For Bank Gurantee (Margin Money)	54.18	3.92	10.35	9.56
<b>Total</b>	<b>77.80</b>	<b>21.02</b>	<b>104.89</b>	<b>23.53</b>

2. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.
3. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.

**GENERAL INFORMATION**

Our Company was originally incorporated as “Arabian Petroleum Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2009 bearing registration No. 191109 issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted into a public limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on November 11, 2011 and consequently the name of our Company was changed from “Arabian Petroleum Private Limited” to “Arabian Petroleum Limited” vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated December 16, 2011 by the Registrar of Companies, Mumbai bearing Corporate Identification Number U23200MH2009PLC191109.

Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta were the initial subscribers to the Memorandum of Association of our Company.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 120 of this Draft Prospectus.

**Registered Office:**

**Arabian Petroleum Limited**

Plot 14-B, Morivali M.I.D.C.,  
Opp. Positive Packaging,  
Ambarnath (W), Ambarnath,  
Thane, Maharashtra- 421505, India

**Tel. No.:** 0251-2395601

**E-mail:** cs@arabianpetroleum.co.in

**Website:** www.arabianpetroleum.co.in

**CIN:** U23200MH2009PLC191109

**Registration Number:** 191109

**Registered Office, Corporate Office and Factory Address:**

<b>Registered Office and Factory-1</b>	Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambarnath (W), Ambarnath, Thane, Maharashtra- 421505, India
<b>Factory-2</b>	Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambarnath (W), Distt- Thane-421505, Maharashtra, India
<b>Corporate Office</b>	Office No. 629/ 630 Avior Corporate Park, LBS Marg, Nirmal Galaxy, Mulund west, Mumbai Suburban, Maharashtra, 400080

**Address of the RoC:**

**Registrar of Companies, Mumbai**

100, Everest, Marine Drive,  
Mumbai- 400002, Maharashtra.

**Tel No:** 022-22812627/22020295/22846954

**Email id:** roc.mumbai@mca.gov.in

**Website:** [www.mca.gov.in](http://www.mca.gov.in)

**Board of Directors of our Company:**

The Board of Directors of our Company as on the date of filing of this Draft Prospectus consists of:

<b>Name</b>	<b>Designation</b>	<b>Address</b>	<b>DIN</b>
Mr. Hemant Dalsukhrai Mehta	Managing Director and Chairman	Near Shanti Industrial Estate A-2, 4 <sup>th</sup> Floor, Tara Tower, S.N.Road, Mulund West, Mumbai-400080, Maharashtra.	02507616

## **ARABIAN PETROLEUM LIMITED**

Mrs. Darshana Hemant Mehta	Non- Executive Director	Near Tambe Nagar A-2, Tara Tower, 4 <sup>th</sup> Floor, Room No. 406, S.N. Road, Mumbai, Mulund West-400080, Maharashtra.	02507587
Mr. Manan Hemant Mehta	Whole Time Director	Near Tambe Nagar A-2, Tara Tower, 4 <sup>th</sup> Floor, S.N. Road, Mulund West, Mumbai- 400080, Maharashtra.	05124747
Mr. Dharman Manoj Mehta	Whole Time Director and CFO	Near Tambe Nagar, S.N. Road A/2, Tara Towers, Flat No. 305, 4 <sup>th</sup> Floor, Mulund West S.O. Mumbai, Maharashtra-400080	07821311

For further details in relation to our Directors, please refer to chapter titled **“Our Management”** on page 124 of this Draft Prospectus.

### **Chief Financial Officer**

Mr. Dharman Manoj Mehta

**Address:** Near Tambe Nagar, S.N. Road A/2, Tara Towers, Flat No. 305, 4<sup>th</sup> Floor, Mulund West S.O. Mumbai, Maharashtra-400080

**Tel. No.:** 0251-2395601

**E-mail:** dharman.mehta@arabianpetroleum.co.in

**Website:** www.arabianpetroleum.co.in

### **Company Secretary & Compliance Officer**

Ms. Yesha Chetan Gandani

**Address:** C/604, Prafulla Paradise, Opp. Kalyan Hospital, Barave Road, Khadakpada, Kalyan (West) - 421301

**Tel. No.:** 0251-2395601

**E-mail:** cs@arabianpetroleum.co.in

**Website:** www.arabianpetroleum.co.in

### **Investor Grievances**

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

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

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

### **Details of Key Intermediaries pertaining to this Issue and Our Company:**

<b>Lead Manager of the Issue</b>	<b>Legal Advisor to the Issue</b>
<b>Hem Securities Limited</b> <b>Address:</b> 904, A Wing, Naman Midtown, Senapati Bapat Marg, Elphinstone Road, Lower Parel, Mumbai-400013, Maharashtra, India <b>Tel No.:</b> +91-22-4906 0000 <b>Fax No.:</b> +91-22-22625991	<b>MMJB &amp; Associates LLP</b> <b>Address:</b> Ecstasy, 803/804, 8 <sup>th</sup> Floor, Citi of Joy, J.S.D. Road, Mulund (West), Mumbai- 400080, Maharashtra, India. <b>Tel:</b> (022) 21678100 <b>Website:</b> www.mmjcadvisory.com

**ARABIAN PETROLEUM LIMITED**

<b>Email:</b> <a href="mailto:jb@hemsecurities.com">jb@hemsecurities.com</a> <b>Investor Grievance Email:</b> <a href="mailto:redressal@hemsecurities.com">redressal@hemsecurities.com</a> <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <b>Contact Person:</b> Mrs. Roshni Lahoti <b>SEBI Regn. No.:</b> INM000010981	<b>Email:</b> <a href="mailto:kumudiniparanjape@mmjc.in">kumudiniparanjape@mmjc.in</a> <b>Contact Person:</b> Mrs. Kumudini Bhalero
<b>Registrar to the Issue</b>	<b>Statutory Auditors</b>
<b>Purva Sharegistry (India) Pvt. Ltd</b> <b>Address:</b> Unit No. 9, Ground Floor, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Lower Parel East, Mumbai-400011, Maharashtra, India. <b>Telephone:</b> <a href="tel:912223012517">91 22 2301 2517</a> / <a href="tel:8261">8261</a> <b>Fax No.:</b> +91-022-23012517 <b>Email:</b> <a href="mailto:support@purvashare.com">support@purvashare.com</a> <b>Contact Person:</b> Ms. Deepali Dhuri <b>Website:</b> <a href="http://www.purvashare.com">www.purvashare.com</a> <b>SEBI Registration Number:</b> INR000001112 <b>CIN:</b> U67120MH1993PTC074079	<b>M N T and Associates LLP</b> <b>Address:</b> Office No 1, A Wing, Vijay Apartments, Near Teen Petrol Pump, LBS Marg, Panchpakhadi, Thane West, Maharashtra- 400601, India <b>Tel No.:</b> 022 25409898/ 99 <b>Website:</b> <a href="http://mntllp.com">mntllp.com</a> <b>Email:</b> <a href="mailto:mnt.llp9@gmail.com">mnt.llp9@gmail.com</a> <b>Contact Person:</b> Mr. Mahesh Murji Gala <b>Peer Review Number:</b> 013466
<b>Bankers to the Company</b>	<b>Advisor to the Issue</b>
<b>Kotak Mahindra Bank Limited</b> <b>Address:</b> 12 BKC, 5 <sup>th</sup> Floor, G Block, Bandra Kurla Complex (BKC), Bandra(E), Mumbai- 400051 <b>Tel:</b> 022- 62185504 <b>Website:</b> <a href="http://www.kotak.com">www.kotak.com</a> <b>Email:</b> <a href="mailto:manoj.shelar@kotak.com">manoj.shelar@kotak.com</a> <b>Contact Person:</b> Mr. Manoj Shelar <b>CIN:</b> L65110MH1985PLC038137	<b>Veer Consultancy Services</b> <b>Address:</b> F-5, Jawan Nagar, SV Road, Borivali- W, Mumbai-400092 <b>Tel No.:</b> +91 9867239899 <b>Website:</b> <a href="http://www.veerconsultancy.com">www.veerconsultancy.com</a> <b>Email:</b> <a href="mailto:jeetrshah@gmail.com">jeetrshah@gmail.com</a> <b>Contact Person:</b> Dr. Jeet R. Shah
<b>Bankers to the Issue</b>	
[•]	

**Designated Intermediaries****Self-Certified Syndicate Banks (SCSB's)**

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above mentioned SEBI link.

**Syndicate SCSB Branches**

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above mentioned SEBI link.

**Registered Brokers**

## ***ARABIAN PETROLEUM LIMITED***

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The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the website of the SEBI at (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time.

### **Registrar and Share Transfer Agents**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of SEBI i.e(<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>), respectively, as updated from time to time

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of NSE at [www.nseindia.com](http://www.nseindia.com) from time to time.

### **Expert Opinion**

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 144 and 81 respectively of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. We have received written consent from the Statutory Auditors for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1933.

### **Inter-se Allocation of Responsibilities**

Since, Hem Securities Limited is the sole Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Lead Manager is not applicable.

### **Monitoring Agency**

Since the proceeds from the Fresh Issue do not exceed ₹1,000 million, in terms of Regulation 262(1) of the SEBI ICDR Regulations, our Company is not required to appoint a monitoring agency for the purposes of this Issue.

### **Appraising Entity**

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

### **Credit Rating**

As this is an issue of Equity Shares, there is no credit rating for the Issue.

### **IPO Grading**

No credit rating agency registered with SEBI has been appointed for grading the Issue.

### **Trustees**

As this is an issue of Equity Shares, the appointment of trustees is not required.

### **Filing of Draft Prospectus**

Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018, the copy of the Draft Prospectus shall also be furnished to the SEBI in a soft copy. However, SEBI will not issue any observation on the Draft Prospectus in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018; a copy of the Prospectus will be filed online through SEBI Intermediary portal at <https://siportal.sebi.gov.in>.

## **ARABIAN PETROLEUM LIMITED**

A copy of the Prospectus along with copy of material contracts and material documents as mentioned on page 284 of this Draft Prospectus, will be delivered to the Registrar of Companies, Mumbai, 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra.

### **WITHDRAWAL OF THE ISSUE**

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

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

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

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

### **UNDERWRITING**

The Company and the Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter [•].

Pursuant to the terms of the Underwriting Agreement dated [•] entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

<b>Details of the Underwriter</b>	<b>No. of shares underwritten</b>	<b>Amount Underwritten (₹ in Lakhs)</b>	<b>% of Total Issue Size Underwritten</b>
[•]	[•]	[•]	[•]

*\*Includes up to [•] Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker [•] in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.*

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

### **CHANGES IN AUDITORS DURING LAST THREE FINANCIAL YEARS**

Except as stated below, there have been no changes in our Company's auditors in the last three (3) years.

<b>Details of Auditor</b>	<b>Date of Change</b>	<b>Reason</b>
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## **ARABIAN PETROLEUM LIMITED**

<b>Viral Jain &amp; Associates</b> Address: 626/627, Avior, Nirmal Galaxy, L.B.S Marg, Mulund West, Mumbai- 400080 Tel: +91- (22) 25901119 Email: <a href="mailto:info@justarchon.com">info@justarchon.com</a> Contact Person: CA Viral Jain	December 10, 2021	M/s. Viral Jain & Associates, Chartered Accountants are not peer reviewed firm by the board of ICAI and have therefore resigned to ensure proper compliance.
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### **DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE**

Our Company and the Lead Manager has entered into Market Making Agreement dated [•] with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	[•]
<b>Correspondence Address:</b>	
<b>Tel No.:</b>	
<b>E-mail:</b>	
<b>Website:</b>	
<b>Contact Person:</b>	
<b>SEBI Registration No.:</b>	
<b>Market Maker Registration No.</b>	

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

#### **Following is a summary of the key details pertaining to the Market making arrangement:**

- The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
- The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge and SEBI from time to time.
- The minimum depth of the quote shall be ₹1,00,000/- . However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
- The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE Emerge (in this case currently the minimum trading lot size is [•] Equity shares; however the same may be changed by the NSE from time to time).
- After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduces to 24% of Issue Size, the Market Maker will resume providing 2 way quotes.
- There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
- Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
- There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.

## ARABIAN PETROLEUM LIMITED

- On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.
- The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.
- There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while *force-majeure* will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final
- The Market Maker(s) shall have the right to terminate said arrangement by giving a six months’ notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s) and execute a fresh arrangement.  
In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the LM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2018, as amended. Further our Company and the LM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our office from 10.00 a.m. to 5.00 p.m. on working days.
- **Risk containment measures and monitoring for Market Makers:** NSE Emerge will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE Emerge can impose any other margins as deemed necessary from time-to-time.
- **Punitive Action in case of default by Market Makers:** NSE Emerge Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
- Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the Issue size and as follows:

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

- 1) The SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:

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i. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.

ii. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.

Additionally, the securities of the Company will be placed in SPOS and would remain in Trade for Trade settlement for first 10 days from commencement of trading. The following spread will be applicable on the SME Exchange Platform.

<b>S. No.</b>	<b>Market Price Slab (in Rs.)</b>	<b>Proposed Spread (in % to sale price)</b>
1.	Up to 50	9
2.	50 to 75	8
3.	75 to 100	6
4.	Above 100	5

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

**CAPITAL STRUCTURE**

Set forth below are the details of the Equity Share Capital of our Company as on the date of this Draft Prospectus.

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
A	<b>Authorized Share Capital</b> 1,10,00,000 Equity Shares having Face Value of ₹ 10/- each	1100.00	-
B	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 80,00,000 Equity Shares having Face Value of ₹10/- each	800.00	-
C	<b>Present Issue in terms of this Draft Prospectus*</b> Upto 28,92,000 Equity Shares having Face Value of ₹ 10/-each at a Premium of ₹ [●] per share	289.20	[●]
	<i>Which comprises of:</i>		
D	<b>Reservation for Market Maker Portion</b> [●]Equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share reserved as Market Maker Portion	[●]	[●]
E	<b>Net Issue to Public</b> Net Issue to Public of [●] Equity Shares of ₹ 10/- each at a price of ₹ [●] per Equity Share to the Public	[●]	[●]
	<i>Of which:</i>		
(i)	At least [●] Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to Retail Individual Investors	[●]	[●]
(ii)	Not more than [●]Equity Shares aggregating up to Rs. [●] lakhs will be available for allocation to investors other than Retail Individual Investors including Non- Institutional Investors and Qualified Institutional Buyers above ₹ 2,00,000	[●]	[●]
F	<b>Issued, Subscribed and Paid up Equity Share Capital after the Issue</b> [●]Equity Shares of face value of ₹10/- each	[●]	
G	<b>Securities Premium Account</b>		
	Before the Issue (as on date of this Draft Prospectus)		Nil
	After the Issue		[●]

\*The Present Issue of upto 28,92,000 Equity Shares in terms of this Draft Prospectus has been authorized pursuant to a resolution of our Board of Directors dated April 06, 2022 and by special resolution passed under Section 62(1)(c) of the Companies Act, 2013 at an Extra-Ordinary General Meeting of the members held on April 09, 2022.

**Classes of Shares-**

Our Company has only one class of share capital i.e. Equity Shares of face value of Rs. 10/- each only. All the issued Equity Shares are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Prospectus.

**NOTES TO THE CAPITAL STRUCTURE**

**1. Changes in Authorized Equity Share Capital of our Company:**

Sr. No.	Particulars of increase	Cumulative No. of Equity Shares	Cumulative Authorized Share Capital ( Rs. in lakhs)	Date of Meeting	Whether AGM/EGM
1.	On incorporation	5,000	5.00	On incorporation	N.A.
2.	Increase in Authorised Share Capital from ₹ 5.00 Lakhs to ₹ 50.00 Lakh	50,000	50.00	December 15, 2009	EGM
3.	Increase in Authorised Share	2,00,000	200.00	May 15, 2013	EGM

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	Capital from ₹ 50.00 Lakh to ₹ 200.00 Lakh				
4.	Sub-division of Face value of Equity Shares of the Company from 2,00,000 Equity Shares of 100/- per Equity Share to 20,00,000 Equity shares of 10/- per Equity Share	20,00,000	200.00	November 15, 2021	EGM
5.	Increase in authorised share capital from ₹200.00 Lakh to ₹ 1100.00 Lakh	1,10,00,000	1,100.00	January 5, 2022	EGM

**2. Equity Share Capital History of our Company:**

a) The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment of Equity Shares	No. of Equity Shares allotted	Face Value (₹)	Issue Price (including Premium if applicable) (₹)	Consideration Cash/ Other than Cash	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Securities Premium (₹)	Cumulative Paid Up Capital (₹)
Upon Incorporation	1,000	100	100	Cash	Subscription to MOA <sup>(i)</sup>	1,000	Nil	1,00,000
Not Ascertainable*	400	100	100	Other than Cash	Further Issue <sup>(i)</sup>	1,400	Nil	1,40,000
December 28, 2009	50	100	100	Cash	Further Issue <sup>(iii)</sup>	1450	Nil	1,45,000
December 28, 2009	12,500	100	200	Cash	Further Issue <sup>(iii)</sup>	13,950	12,50,000	13,95,000
October 31, 2011	1,000	100	200	Cash	Further Issue <sup>(iv)</sup>	14,950	13,50,000	14,95,000
March 26, 2012	15,000	100	100	Cash	Further Issue <sup>(v)</sup>	29,950	13,50,000	29,95,000
May 18, 2013	63,750	100	100	Cash	Further Issue <sup>(vi)</sup>	93,700	13,50,000	93,70,000
January 28, 2014	56,300	100	100	Cash	Further Issue <sup>(vii)</sup>	1,50,000	13,50,000	1,50,00,000
March 30, 2015	50,000	100	100	Other than cash	Right Issue <sup>(viii)</sup>	2,00,000	13,50,000	2,00,00,000

*Pursuant to Shareholders' resolution dated November 15, 2021 the face value of Equity Shares of our Company was subdivided from 100.00 per Equity Share to 10.00 per Equity Share. Therefore, 2,00,000 equity shares of our Company of face value of ₹ 100 each was sub-divided into 20,00,000 equity shares of face value of ₹10 each and after sub-division the paid-up share capital was as follows:*

Post Sub-division	20,00,000	10	-	-	-	20,00,000	13,55,000	2,00,00,000
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**ARABIAN PETROLEUM LIMITED**

April 12, 2022	60,00,000	10	Nil	Other than cash	Bonus Issue in the ratio of 3:1 (ix)	80,00,000	Nil	8,00,00,000
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All the above mentioned shares are fully paid up since the date of allotment.

\*The form of allotment for the said issue of shares is not filed, thus date of meeting cannot be traced. These details have been inserted here based on the information received from the statutory registers and other records available with the company.

(i) Initial Subscribers to the Memorandum of Association subscribed 1000 Equity Shares of Face Value of Rs. 100/- each, details of which are given below:

S. No.	Name of Subscribers	Number of Shares Subscribed
1.	Mr. Hemant Dalsukhrai Mehta	500
2.	Mrs. Darshana Hemant Mehta	500
	<b>Total</b>	<b>1,000</b>

(ii) Further Issue of 400 Equity Shares of Face Value of Rs.100/- each as per details given below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Hemant Dalsukhrai Mehta	400
	<b>Total</b>	<b>400</b>

(iii) Further Issue of 50 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Hemant Dalsukhrai Mehta	50
	<b>Total</b>	<b>50</b>

(iv) Further Issue of 1,2500 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Ashwin Mehta	2,500
2.	Mr. ChetnaThosani	3,500
3.	IFSL Limited	5,000
4.	Mr. N. A. Thosani	1,500
	<b>Total</b>	<b>12,500</b>

(v) Further Issue of 1,000 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Manan Hemant Mehta	1,000
	<b>Total</b>	<b>1,000</b>

(vi) Further Issue of 15,000 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Hemant Dalsukhrai Mehta	10,000
2.	Mrs.Darshana Hemant Mehta	5,000
	<b>Total</b>	<b>15,000</b>

(vii) Further Issue of 63,750 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

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S. No.	Name of Allottees	Number of Shares
1.	Mr. Hemant Dalsukhrai Mehta	41,250
2.	Mrs. Darshana Hemant Mehta	8,500
3.	Mr. Manan Hemant Mehta	14,000
	<b>Total</b>	<b>63,750</b>

(viii) Further Issue of 56,300 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mr. Hemant Dalsukhrai Mehta	2,100
2.	Mrs. Darshana Hemant Mehta	27,000
3.	Mr. Manan Hemant Mehta	27,200
	<b>Total</b>	<b>56,300</b>

(ix) Right Issue of 50,000 Equity Shares of Face Value of Rs. 100/- each as per the details mentioned below:

S. No.	Name of Allottees	Number of Shares
1.	Mrs. Darshana Hemant Mehta	31,766
2.	Mr. Manan Hemant Mehta	18,234
	<b>Total</b>	<b>50,000</b>

(x) Bonus Issue of 60,00,000 Equity Shares of Face Value of Rs. 10/- each in the ratio of 3:1 i.e. Three (3) Bonus Equity shares for every One (1) Equity share held by shareholders. (refer point no. 3 below for allottees list)

b) As on the date of this Draft Prospectus, our Company does not have any Preference Share Capital.

### 3. Issue of Equity Shares for consideration other than cash

Except as set out below we have not issued Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason for Allotment	Benefits Accrued to our Company	Name of Allottees	No. of Shares Allotted
March 30, 2015	50,000	100	-	Conversion of Loans	Reduction of liabilities	Mrs. Darshana Hemant Mehta	31,766
						Mr. Manan Hemant Mehta	18,234
						<b>Total</b>	<b>50,000</b>
April 12, 2022	60,00,000	10	-	Bonus in the ratio of 3:1 i.e. 3 Equity Shares for every 1 Equity Share held	Capitalization of Reserves & Surplus *	Mr. Hemant Dalsukhrai Mehta	16,28,400
						Mrs. Darshana Mehta	22,58,580
						Mr. Manan Hemant Mehta	18,88,020
						Mrs. Nita Nitin Mehta	30,000
						Mr. Nitin D Mehta	45,000
						Mr. Dharman M Mehta	1,05,000
						Mrs. Mayuri Mehta	45,000
<b>Total</b>	<b>60,00,000</b>						

\*Above allotment of shares has been made out of Reserve & Surplus available for distribution to shareholders and no part of revaluation reserve has been utilized for the purpose.

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

Except as mentioned in point 2 a (ix) above, we have not issued any Equity Share in the last two years preceding the date of Draft Prospectus.

5. No Equity Shares have been allotted pursuant to any scheme approved under sections 230-234 of the Companies Act, 2013 or under the erstwhile corresponding provisions of the Companies Act, 1956.

6. Our Company has not issued any shares pursuant to an Employee Stock Option Scheme.
7. Except for the Bonus Issue made on April 12, 2022 for 60,00,000 Equity Shares as mentioned in point no. 3 above, no Equity shares have been issued at price below the Issue price within last one year from the date of the Draft Prospectus.
8. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

**9. Shareholding Pattern of the Company**

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

**ARABIAN PETROLEUM LIMITED**

**I - Our Shareholding Pattern: -**

Category	Category of shareholder	No. of shareholders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCR, 1957) As a % of (A+B+C 2)	Number of Voting Rights held in each class of securities*				No. of Shares Outstanding convertible	Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital ) As a % of (A+B+C2)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form
								No of Voting Rights			Total as a % of (A + B + C)			No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
								Class Equity Shares of Rs.10/- each^	Classes : y	Total								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VI I+X	XII	XIII	XIV		
(A)	Promoters & Promoter Group	7	80,00,000	-	-	80,00,000	10	80,00,000	-	80,00,000	10	-	-	-	-	-	80,00,000	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non-Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>7</b>	80,00,000	-	-	80,00,000	10	80,00,000	-	80,00,000	10	-	-	-	-	80,00,000

**Notes-**

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

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

We have entered into tripartite agreement with CDSL dated May 31, 2019 & NSDL dated February 17, 2022.

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, one day prior to the listing of the Equity shares. The shareholding pattern will be uploaded on the Website of the NSE before commencement of trading of such Equity Shares.

**II – Shareholding pattern of the Promoters and Promoter Group**

S.No	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) as a % of A+B+C2	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematerialized form	
								No of Voting Rights					Total as a % of Total Voting rights	No. of total shares held (a)	As a % of total shares held (b)	No. of total shares held (a)		As a % of total shares held (b)
								Class Equity Shares of Rs.100/- each	Class Y	Total								
	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>V</b>	<b>VI=IV+V+VI</b>	<b>VII</b>	<b>VIII</b>			<b>IX</b>	<b>X = VI+ IX</b>	<b>XI</b>	<b>XII</b>	<b>XIII</b>			

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(1)	Indian															
(a)	Individual s/ Hindu undivided Family	7	80,00,000	-	-	80,00,000	100	80,00,000	-	80,00,000	100	-	-	-	-	80,00,000
	Mr. Hemant Dalsukhrai Mehta	1	21,71,200	-	-	21,71,200	27.14	21,71,200	-	21,71,200	27.14	-	-	-	-	21,71,200
	Mrs. Darshana Hemant Mehta	1	30,11,440	-	-	30,11,440	37.64	30,11,440	-	30,11,440	37.64	-	-	-	-	30,11,440
	Mr. Manan Hemant Mehta	1	25,17,360	-	-	25,17,360	31.47	25,17,360	-	25,17,360	31.47	-	-	-	-	25,17,360
	Mrs. Nita Nitin Mehta	1	40,000	-	-	40,000	0.50	40,000	-	40,000	0.50	-	-	-	-	40,000
	Mr. Nitin D Mehta	1	60,000	-	-	60,000	0.75	60,000	-	60,000	0.75	-	-	-	-	60,000
	Mr. Dharman Manoj Mehta	1	1,40,000	-	-	1,40,000	1.75	1,40,000	-	1,40,000	1.75	-	-	-	-	1,40,000
	Mrs. Mayuri Jayant Mehta	1	60,000	-	-	60,000	0.75	60,000	-	60,000	0.75	-	-	-	-	60,000
(b)	Central Government/ State Government(s)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other															

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	Body Corporate		-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>	<b>7</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Foreign	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(f)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Shareholding of Promoters and Promoter Group (A)= (A)(1)+(A)(2)</b>	<b>7</b>	<b>80,00,000</b>	-	-	<b>80,00,000</b>	<b>100</b>	<b>80,00,000</b>	-	<b>80,00,000</b>	<b>100</b>	-	-	-	-	<b>80,00,000</b>

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

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**III- Shareholding pattern of the Public shareholder**

S.No.	Category & Name of the Shareholders	No. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding % (calculated as per SCRR, 1957)  As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
								No of Voting Rights					Total as a % of Total Voting rights	No. of total shares held (a)	As a % of total shares held (b)	No. (not applicable) (a)		As a % of total shares held (not applicable) (b)
								Class Equity Shares of Rs.100/- each	Class Y	Total								
	I	II	III	IV	V	VI=III+IV+V	VII	VIII			IX	X= VI+IX	XI	XII		XIII		
<b>(1) Institutions</b>																		
(a) Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b) Venture Capital Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c) Alternate Investment Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d) Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e) Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f) Financial Institutions/Banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g) Insurance Companies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

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(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(i)	Any Other (specify)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government (s)/ President of India</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>															
(a)	Individuals															
	i. Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	ii. Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	(holding DRs) (balancing figure)														
(e)	Any Other Body Corporate	-	-	-	-			-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	-	-	-			-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	-	-	-			-	-	-	-	-	-	-	-

**IV - Shareholding pattern of the Non-Promoter- Non Public shareholder**

S.No.	Category & Name of the Shareholders	No. of shareholders	No. of fully paid up equity shares held	Partly paid-up equity shares held	Nos. of shares underlying Depository Receipts	Total nos. shares held	Shareholding (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in Share dematerialized form (Not applicable)
								No of Voting Rights					Total as a % of Total Voting rights	No. of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
								Class Equity Shares of Rs.10/- each	Class Y	Total							
	I	II	III	IV	V	VI=III+IV+V	VII	VIII			IX	X= VI+IX	XI	XII		XIII	
(1)	Custodian/DR Holder																
(a)	Name of Holder (if	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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	available)															
	<b>Sub Total (c ) (1)</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (C ) (2)</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Non-Promoter Non- Public shareholding (C ) = (C ) (1)+ (C ) (2)</b>	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**ARABIAN PETROLEUM LIMITED****10. List of Shareholders of the Company holding 1% or more of the paid up Share Capital of the Company: -**

a) As on the date of filing of this Draft Prospectus: -

Sr. No	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Hemant Dalsukhrai Mehta	21,71,200	27.14%
2.	Mrs. Darshana Hemant Mehta	30,11,440	37.64%
3.	Mr. Manan Hemant Mehta	25,17,360	31.47%
4.	Mr. Dharman Manoj Mehta	1,40,000	1.75%
	<b>Total</b>	<b>78,40,000</b>	<b>98.00%</b>

b) Ten days prior to the date of filing of this Draft Prospectus: -

Sr.No	Names of Shareholder	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Share Capital
1.	Mr. Hemant Dalsukhrai Mehta	21,71,200	27.14%
2.	Mrs. Darshana Hemant Mehta	30,11,440	37.64%
3.	Mr. Manan Hemant Mehta	25,17,360	31.47%
4.	Mr. Dharman Manoj Mehta	1,40,000	1.75%
	<b>Total</b>	<b>78,40,000</b>	<b>98.00%</b>

c) One Year prior to the date of filling of this Draft Prospectus: -

Sr.No	Names of Shareholder	Shares Held (Face Value of Rs. 100 each)	% Pre Issue paid up Share Capital
1.	Mr. Hemant Dalsukhrai Mehta	54,280	27.14%
2.	Mrs. Darshana Hemant Mehta	75,286	37.64%
3.	Mr. Manan Hemant Mehta	62,934	31.47%
4.	Mr. Dharman Manoj Mehta	3,500	1.75%
	<b>Total</b>	<b>1,96,000</b>	<b>98.00%</b>

d) Two Years prior to the date of filing of this Draft Prospectus: -

Sr.No	Names of Shareholder	Shares Held (Face Value of Rs. 100 each)	% Pre Issue paid up Share Capital
1.	Mr. Hemant Dalsukhrai Mehta	54,280	27.14%
2.	Mrs. Darshana Hemant Mehta	75,286	37.64%
3.	Mr. Manan Hemant Mehta	62,934	31.47%
4.	Mr. Dharman Manoj Mehta	3,500	1.75%
	<b>Total</b>	<b>1,96,000</b>	<b>98.00%</b>

11. Our Company has not made any Initial Public Offer of specified securities in the preceding two years.

12. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split / consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**13. Capital Buildup in respect of Shareholding of our Promoters**

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As on the date of this Draft Prospectus, Our Promoters, Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta hold 46,88,560 Equity Shares of our Company. None of the Equity Shares held by our Promoters are subject to any pledge.

Set forth below is the build-up of the shareholding of our Promoters in our Company since incorporation.

Date of Allotment and made fully paid up/ Transfer	No. of Equity Shares	Face Value Per Share (₹)	Issue/ Acquisition/Transfer Price (₹)	Consideration	Nature of Issue	Pre-Issue Shareholding %	Post-Issue Shareholding %
<b>(A) Mr. Hemant Dalsukhrai Mehta</b>							
March 20, 2009	500	100.00	100	Cash	On Incorporation	0.06	0.05
Not Ascertainable*	400	100.00	100	Cash	Further issue	0.05	0.04
December 28, 2009	50	100.00	100	Cash	Further issue	0.01	0.00
March 31, 2010	(20)	100.00	100		Transfer of Shares(i)	0.00	0.00
March 26, 2012	10,000	100.00	100	Cash	Further issue	1.25	0.92
May 18, 2013	41,250	100.00	100	Cash	Further issue	5.16	3.79
January 28, 2014	2,100	100.00	-	Cash	Further issue	0.26	0.19
<i>Pursuant to Shareholders' resolution dated November 15, 2021 the face value of Equity Shares of our Company was subdivided from Rs.100.00 per Equity Share to Rs.10.00 per Equity Share.</i>							
Post Subdivision	5,42,800	10.00	-	-	-	6.79	4.98
April 12, 2022	16,28,400	10.00	-	Other than Cash	Bonus in the ratio of 3:1	20.36	14.95
<b>Total</b>	<b>21,71,200</b>					<b>27.14</b>	<b>19.93</b>
<b>(B) Mr. Manan Hemant Mehta</b>							
October 31, 2011	1000	100.00	200	Cash	Further issue	0.13	0.09
May 18, 2013	14,000	100.00	100	Cash	Further issue	1.75	1.29
January 28, 2014	27,200	100.00	100	Cash	Further issue	3.40	2.50
March 30, 2015	18,234	100.00	100	Other than Cash	Right Issue	2.28	1.67
March 31, 2015	2,500	100.00	100	Cash	Acquisition by way of Transfer of shares(ii)	0.31	0.23
<i>Pursuant to Shareholders' resolution dated November 15, 2021 the face value of Equity Shares of our Company was subdivided from Rs.100.00 per Equity Share to Rs.10.00 per Equity Share.</i>							
Post Subdivision	6,29,340	10	-	-	-	7.87	5.78

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April 12, 2022	18,88,020	10	-	Other than Cash	Bonus in the ratio of 3:1	23.60	17.33
<b>Total</b>	<b>25,17,360</b>					<b>31.47</b>	<b>23.11</b>

Note: None of the Shares have been pledged by our Promoters.

\*The form of allotment for the said issue of shares is not filed, thus date of meeting cannot be traced. These details have been inserted here based on the information received from the statutory registers and other records available with the company.

**(i) Details of sale of Shares by Hemant Dalsukhrai Mehta of 20 Equity Shares dated March 31, 2010**

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	March 31, 2010	Hemant Dalsukhrai Mehta	20	Darshana Hemant Mehta
<b>Total</b>			<b>20</b>	

**(ii) Details of Acquisition by Mr. Manan Hemant Mehta by way of transfer of 2500 Equity Shares dated 31.03.2015**

Sr. No.	Date of Transfer	Name of Transferor	No. of Shares	Name of Transferee
1.	March 31, 2015	IFSL Limited	2500	Manan Hemant Mehta

**14. The average cost of acquisition of or subscription of shares by our Promoters is set forth in the table below:**

Sr. No.	Name of the Promoter	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Mr..Hemant Dalsukhrai Mehta	21,71,200	2.50
2.	Mr..MananHemant Mehta	25,17,360	2.54

**15. Shareholding of Promoters & Promoter Group**

Following are the details of pre and post Issue shareholding of persons belonging to the category "Promoter and Promoter Group":

Sr. No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoter</b>				
1	Mr. Hemant Dalsukhrai Mehta	21,71,200	27.14%	21,71,200	19.93%
2	Mr. Manan Hemant Mehta	25,17,360	31.47%	25,17,360	23.11%
	<b>Sub Total (A)</b>	<b>46,88,560</b>	<b>58.61%</b>	<b>46,88,560</b>	<b>43.05%</b>
	<b>Promoter Group</b>				
3	Mrs. Darshana Hemant Mehta	30,11,440	37.64%	30,11,440	27.65%
4	Mrs. Nita Nitin Mehta	40,000	0.50%	40,000	0.37%
5	Mr. Nitin D Mehta	60,000	0.75%	60,000	0.55%
6	Mr. Dharman Manoj Mehta	1,40,000	1.75%	1,40,000	1.29%
7	Mrs. Mayuri Jayant Mehta	60,000	0.75%	60,000	0.55%
	<b>Sub Total (B)</b>	<b>33,11,440</b>	<b>41.39%</b>	<b>33,11,440</b>	<b>30.40%</b>
	<b>Grand Total (A+B)</b>	<b>80,00,000</b>	<b>100.00%</b>	<b>80,00,000</b>	<b>73.45%</b>

**16. Except as provided below, no Equity Shares were acquired/ purchased/ sold by the Promoters and Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Draft Prospectus.**

Date of Allotment	Particulars	No. of Equity Shares	% of Pre-Issue Capital	Subscribed/ Acquire/ Transfer	Category of Allottees (Promoter/ Promoter Group/ Director)
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April 12, 2022	Mr. Hemant Dalsukhrai Mehta	1628400	20.36%	Bonus Issue in the ratio of 3:1	Promoter
	Mr. Manan Hemant Mehta	1888020	23.60%		Promoter
	Mrs. Darshana Hemant Mehta	2258580	28.23%		Promoter Group
	Mrs. Nita Nitin Mehta	30000	0.38%		Promoter Group
	Mr. Nitin D Mehta	45000	0.56%		Promoter Group
	Mr. Dharman Manoj Mehta	105000	1.31%		Promoter Group
	Mrs. Mayuri Jayant Mehta	45000	0.56%		Promoter Group

17. None of our Promoters, Promoter Group, our Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Prospectus.

**18. Details of Promoter’s Contribution Locked-in for Three Years**

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoter shall be considered as Promoter’s Contribution (“**Promoter’s Contribution**”) and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter’s Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Prospectus, our Promoters hold 46,88,560 Equity Shares constituting 43.05% of the Post – Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoter’s contribution.

Our Promoters have given written consent to include 22,30,000 Equity Shares held by them and subscribed by them as part of Promoter’s Contribution constituting 20.47% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter’s contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/ transfer and made fully paid up	No. of Equity Shares locked-in*	Face Value Per Share (₹)	Issue/ Acquisition/ Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
Mr. Hemant Dalsukhrai Mehta						
April 12, 2022	11,00,000	10	Nil	Bonus Issue	10.10%	3 years
Mr. Manan Hemant Mehta						
April 12, 2022	11,30,000	10	Nil	Bonus Issue	10.37%	3 years

\*Assuming full subscription to the Issue

The minimum Promoter’s contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as “**Promoters**” under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not eligible for computation of Minimum Promoter’s Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

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

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

**Eligibility of Share for “Minimum Promoter’s Contribution in terms of clauses of Regulation 237(1) of SEBI (ICDR) Regulations, 2018**

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<b>Reg. No.</b>	<b>Promoter's Minimum Contribution Conditions</b>	<b>Eligibility Status of Equity Shares forming part of Promoter's Contribution</b>
237(1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction	The Minimum Promoter's contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets. <b>Hence Eligible</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoter's contribution	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible</b>
237 (1) (b)	Specified securities acquired by promoter during the preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237(1) (c)	Specified securities allotted to promoter during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms, where the partners of the erstwhile partnership firms are the promoter of the issuer and there is no change in the management: Provided that specified securities, allotted to promoter against capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible	The minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter have not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares. <b>Hence Eligible.</b>

**Details of Promoter's Contribution Locked-in for One Year**

In terms of Regulation 238(b) and 239 of the SEBI (ICDR) Regulations, 2018, in addition to the Minimum Promoter's contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 57,70,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lock-in shall carry inscription '**non-transferable**' along with the duration of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

**Other requirements in respect of lock-in:**

- a) In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoter as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.

- b) In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoter prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
  - c) Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoter and locked-in as per regulation 238 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.
24. Neither, we nor our Promoter, Directors and the LM to this Issue have entered into any buyback and / or standby arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
  25. As on the date of this Draft Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up Equity shares.
  26. The LM i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of this Draft Prospectus.
  27. As on the date of this Draft Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2014.
  28. We have 7(Seven) shareholders as on the date of filing of this Draft Prospectus.
  29. As on the date of filing of this Draft Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoter or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer
  30. Our Company has not raised any bridge loan against the proceeds of the Issue.
  31. As on the date of this Draft Prospectus, none of the shares held by our Promoter / Promoter Group are subject to any pledge.
  32. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
  33. None of our Equity Shares has been issued out of revaluation reserve created out of revaluation of assets.
  34. An over-subscription to the extent of 1% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 1% of the Issue, as a result of which, the post-issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoter and subject to 3 year lock- in shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
  35. Allocation to all categories shall be made on a proportionate basis subject to valid applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.

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36. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
37. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
38. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net issue to the public portion.
39. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
40. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
41. There are no Equity Shares against which depository receipts have been issued.
42. Other than the Equity Shares, there is no other class of securities issued by our Company.
43. There are no safety net arrangements for this public issue.
44. As per RBI regulations, OCBs are not allowed to participate in this issue.
45. Our Promoter and Promoter Group will not participate in this Issue.
46. This Issue is being made through Fixed Price Issue.
47. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
48. In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.
49. No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
50. We shall ensure that transactions in Equity Shares by the Promoter and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

**OBJECTS OF THE ISSUE**

The Issue includes a fresh Issue of upto 28,92,000 Equity Shares of our Company at an Issue Price of Rs. [●] per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects: -

1. To meet Working Capital requirements
2. General Corporate Purpose
3. To meet issue expenses

*(Collectively referred as the "Objects")*

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

Our Company is engaged in the business of manufacturing a wide range of Lubricants including speciality Oils, Coolants, etc used for application in automobiles and industrial machines and appliances. Our business is categorized into two distinctive product division: **(i) Automotive Lubricants – Arzol and (ii) Industrial Lubricants – SPL**. We are dedicated to consistently providing products that deliver stellar quality and comply with statutory requirements in the Automotive and Industrial Lubricants domain.

**Net Proceeds**

The details of the Net Proceeds are set forth below:

<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
Gross Proceeds of the Issue	[●]
Less: Issue related expenses in relation to Issue	[●]
<b>Net Proceeds</b>	<b>[●]</b>

**Requirement of Funds and Utilization of Net Proceeds**

The Net Proceeds are proposed to be used in accordance with the details as set forth below:

<b>S. No</b>	<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
1.	To meet Working Capital requirements	[●]
2.	General Corporate Purpose	[●]
	<b>Total</b>	<b>[●]</b>

Our fund requirements and deployment thereof are based on internal management estimates of our current business plans and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs or in other financial conditions, business strategy, as discussed further below.

**Means of Finance**

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

<b>Particulars</b>	<b>Amt (Rs. in Lacs)</b>
Net Issue Proceeds	[●]
<b>Total</b>	<b>[●]</b>

*Since, the entire fund requirement are to be funded from the proceeds of the Issue, there is no requirement to make firm arrangements of finance under Regulation 230(1)(e) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue.*

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If

## **ARABIAN PETROLEUM LIMITED**

the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising

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

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of the Company's management. For further details on the risks involved in our business plans and executing our business strategies, please see the section titled "**Risk Factors**" beginning on page 21 of the Draft Prospectus.

### **Details of Utilization of Net Proceeds**

The details of utilization of the Net Proceeds are set forth herein below:

#### **1. To Meet Working Capital Requirement**

With the expansion of the business the company will be in the need of additional working capital requirements. The major capital will be invested in the trade receivables and inventories as the money gets blocked in them. The Company will meet the requirement to the extent of Rs. [●] from the Net Proceeds of the Issue and balance from borrowings at an appropriate time as per the requirement.

Details of Estimation of Working Capital requirement are as follows:

<i>(Rs. In Lacs)</i>						
S. No.	Particulars	Actual (Restated)	Actual (Restated)	Actual (Restated)	Actual (Restated)	Estimated
		31-March- 2019	31-March- 2020	31-March- 2021	31-Dec- 2021	31-March- 2023
I	<b>Current Assets</b>					
	Inventories	694.18	805.61	1,565.21	2,282.31	[●]
	Trade receivables	1,749.35	1,719.41	2,281.50	3,458.28	
	Cash and bank balances	23.53	104.89	21.02	77.80	[●]
	Short Term Loans and Advances	36.50	37.19	48.65	43.05	
	Other current assets	99.88	90.87	134.59	182.18	[●]
	<b>Total(A)</b>	<b>2,603.45</b>	<b>2,757.96</b>	<b>4,050.97</b>	<b>6,043.61</b>	[●]
II	<b>Current Liabilities</b>					
	Trade payables	954.91	886.44	1,230.32	2,792.76	[●]
	Other current liabilities	114.84	115.35	98.02	98.67	[●]
	Short-term provisions	34.92	48.06	203.16	214.26	[●]
	<b>Total (B)</b>	<b>1,104.66</b>	<b>1,049.85</b>	<b>1,531.50</b>	<b>3,105.70</b>	[●]
III	<b>Total Working Capital Gap (A-B)</b>	<b>1,498.78</b>	<b>1,708.11</b>	<b>2,519.48</b>	<b>2,937.91</b>	[●]
IV	Funding Pattern					
	Borrowings and Internal accruals	1,498.78	1,708.11	2,519.48	2,937.91	[●]
	<b>IPO Proceeds</b>					[●]

## **ARABIAN PETROLEUM LIMITED**

### **Key assumptions for working capital projections made by Our Company:**

<b>Particulars</b>	<b>31-March-2019</b>	<b>31-March-2020</b>	<b>31-March-2021</b>	<b>31-Dec-2021</b>	<b>31-March-2023</b>
Debtors (in Days)	70.48	75.43	66.39	74.74	[●]
Creditors (in Days)	54.26	50.71	51.55	87.98	[●]
Inventories (in Days)	55.14	42.90	49.66	60.60	[●]

#### **Justification:**

<b>S. No.</b>	<b>Particulars</b>
<b>Debtors</b>	We have assumed Debtors holding period to be at around [●] days for F.Y. 2022-23
<b>Creditors</b>	We have assumed Creditors payment period to be at around [●] days for F.Y. 2022-23
<b>Inventories</b>	We have assumed Debtors holding period to be at around [●] days for F.Y. 2022-23

### **2. General Corporate Purpose**

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy the Issue proceeds aggregating Rs. [●] Lakhs towards the general corporate purposes to drive our business growth. In accordance with the policies set up by our Board, we have flexibility in applying the remaining Net Proceeds, for general corporate purpose including but not restricted to, meeting operating expenses, initial development costs for projects other than the identified projects, and the strengthening of our business development and marketing capabilities, meeting exigencies, which the Company in the ordinary course of business may not foresee or any other purposes as approved by our Board of Directors, subject to compliance with the necessary provisions of the Companies Act, 2013.

We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose. Further in case, our actual issue expenses turn to be lesser than the estimated issue expenses of Rs. [●] lakhs, such surplus amount shall be utilized for General Corporate Purpose in such a manner that the amount for general corporate purposes, as mentioned in the Draft Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

### **3. Public Issue Expenses**

The total estimated Issue Expenses are Rs. [●] Lakhs, which is [●] % of the total Issue Size. The details of the Issue Expenses are tabulated below:

<b>Activity</b>	<b>(Rs. in Lakh) *</b>	<b>As a % of Estimates Issue Expenses</b>	<b>As a % of Issue Size</b>
Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable for Advertising and Publishing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges	[●]	[●]	[●]
Payment for Printing & Stationery, Postage, etc.	[●]	[●]	[●]
Fees Payable to Auditor, Legal Advisors and other Professionals	[●]	[●]	[●]
Others (Fees payable for Marketing & distribution expenses, Selling Commission, Brokerage, Processing Fees*, Underwriting fees and Miscellaneous Expenses)	[●]	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* Includes commission/Processing fees of Rs. [●] per valid application forms for SCSB's. In case the total processing fees payable to SCSBs exceeds Rs. [●] lakh, then the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total Processing Fees payable does not exceed Rs. [●] lakh.

## ***ARABIAN PETROLEUM LIMITED***

### **Proposed Schedule of Implementation:**

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

(Rs. In Lakhs)

Sr. No.	Particulars	Amount to be deployed and utilized in
		F.Y. 22-23
1.	To meet Working Capital requirements	[●]
2.	General Corporate Purpose	[●]
3.	Issue Expenses	[●]
	<b>Total</b>	[●]

### **Funds Deployed and Source of Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Issue Expenses	[●]
<b>Total</b>	[●]

### **Sources of Financing for the Funds Deployed:**

[●], Chartered Accountants vide their certificate dated [●] have confirmed that as on date of certificate the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (Rs. in Lakh)
Internal Accruals	[●]
<b>Total</b>	[●]

### **Appraisal**

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

### **Shortfall of Funds**

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

### **Bridge Financing Facilities**

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

### **Monitoring Utilization of Funds**

As the size of the Issue will not exceed Rs.10,000 Lakhs, the appointment of Monitoring Agency would not be required as per Regulation 262(1) of the SEBI ICDR Regulations. Our Board and the management will monitor the utilization of the Net Issue Proceeds through our audit committee. Pursuant to Regulation 32 of the SEBI Listing Regulations, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Prospectus and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

**Interim Use of Proceeds**

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

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

**Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution. In addition,

the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act and shall be published in accordance with the Companies Act and the rules there under. As per the current provisions of the Companies Act, our Promoters or controlling Shareholders would be required to provide an exit opportunity to such shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

**Other confirmations**

There are no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel, in relation to the utilization of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoters, our Directors or key managerial personnel except in the normal course of business and in compliance with the applicable laws.

**BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 21, 95 and 144 respectively of the Draft Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price will be determined by our Company in consultation with the LM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is Rs. 10.00 each and the Issue Price is Rs. [●], which is [●] times of the face value.

**QUALITATIVE FACTORS**

We believe the following business strengths allow us to successfully compete in the industry:

- One Stop Shop for All Lubricants
- Research and development capabilities allowing product innovation and customization
- Long Standing Relationship with our customers
- Quality Assurance and Standards
- Experienced and Qualified Management and Employee base.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “**Our Business**” beginning on page 95 of the Draft Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled “**Financial Information of the Company**” on page 144 of this Draft Prospectus.

Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

**1. Basic & Diluted Earnings per share (EPS) (Face value of Rs. 10 each), as adjusted for change in capital:**

As per the Restated Financial Statements;

Sr. No	Period	Basic & Diluted	Weights
1	Period ending March 31, 2021	3.59	3
2	Period ending March 31, 2020	3.52	2
3	Period ending March 31, 2019	1.60	1
	<b>Weighted Average</b>	<b>3.24</b>	<b>6</b>
	Period ending December 31, 2021	4.29	

Notes:

- i. The figures disclosed above are based on the Restated Financial Statements of the Company as adjusted with the effect of issue of Bonus shares.
- ii. The face value of each Equity Share is Rs.10.00.
- iii. Earnings per Share has been calculated in accordance with Accounting Standard 20 – “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- iv. The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- v. Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- vi. Diluted Earnings per Share = Net Profit/ (Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

**Price Earning (P/E) Ratio in relation to the Issue Price of Rs. [●]**

## ARABIAN PETROLEUM LIMITED

Particulars	(P/E) Ratio
P/E ratio based on the Basic & Diluted EPS, as restated for period ending March 31, 2021	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]

Industry P/E Ratio*	
Highest (Tide Water Oil Co. (India) Limited)	15.04
Lowest (GP Petroleums Limited)	13.29
Industry Average	14.17

\*For the purpose of industry, we believe the companies engaged in the same sector or engaged in the similar line of business segment, however, they may not be exactly comparable in terms of size or business portfolio on a whole with that of our business.

Average PE have been calculated based on the PE of the Peer companies i.e. Tide Water Oil Co. (India) Limited and GP Petroleums Limited.

### Note:

i. The P/E ratio has been computed by dividing Issue Price with EPS.

ii. P/E Ratio of the Peer company is based on the Annual report of the company for the year 2022 and stock exchange data dated May 31, 2022

### Return on Net worth (RoNW)\*

Sr. No	Period	RONW	Weights
1	Period ending March 31, 2021	22.09%	3
2	Period ending March 31, 2020	27.72%	2
3	Period ending March 31, 2019	17.51%	1
	<b>Weighted Average</b>	<b>23.20%</b>	
	Period ending December 31, 2021	20.87%	

\*Restated Profit after tax/Net Worth

### Note:

i. The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period

### 4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share*	NAV
1	As at March 31, 2021	16.27
2	As at March 31, 2020	12.68
3	As at March 31, 2019	9.17
4.	NAV per Equity Share after the Issue	[●]
5.	Issue Price	[●]
6.	As at December 31, 2021	20.57

\*The above NAV has been calculated giving the effect of Bonus Shares

### Note:

i. The NAV per Equity Share has been computed by dividing restated networth with weighted average number of equity shares outstanding at the end of the year/period.

### 6. Comparison of Accounting Ratios with Industry Peers

Name of Company	Current Market Price (Rs.)	Face Value (Rs.)	EPS* (Rs.)	PE	RoNW (%)*	Book Value (Rs.)	Total Income (Rs. in crores)
Arabian Petroleum Limited	[●]	10.00	3.59	[●]	22.09	16.27	110.25
<b>Peer Group</b>							
Tide Water Oil Co. (India)	1087.55	2	72.32	15.04	17.07	413.13	1555.36

**ARABIAN PETROLEUM LIMITED**

Limited							
GP Petroleums Limited	49.30	5	3.71	13.29	7.54	49.30	717.74

**Notes:**

- (i) *Source – Audited Financial Results of the company for the financial year 2022 and stock exchange data dated May 31, 2022. For our Company, we have taken CMP as the issue price of equity share. Further, P/E Ratio is based on the CMP of the respective scrips.*
- (ii) *The EPS, NAV, RoNW and Total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2020-21 as adjusted with the effect of Bonus Issue.*
- (iii) *NAV per share is computed as the closing net worth divided by the closing outstanding number of paid up equity shares as adjusted with the effect of Bonus Issue.*
- (iv) *P/E Ratio of the peer company is based on the Audited Financial Results of the companies for the year 2022 and stock exchange data dated May 31, 2022.*
- (v) *RoNW has been computed as net profit after tax divided by closing net worth.*
- (vi) *Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.*
- (vii) *The face value of Equity Shares of our Company is Rs. 10/- per Equity Share and the Issue price is [●] times the face value of equity share.*

The Issue Price of ₹ [●] has been determined by our Company in consultation with the LM and will be justified by us in consultation with the LM on the basis of the above information. Investors should read the abovementioned information along with "**Our Business**", "**Risk Factors**" and "**Restated Financial Statements**" on pages 95, 21 and 144 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "**Risk Factors**" or any other factors that may arise in the future and you may lose all or part of your investments.

**STATEMENT OF TAX BENEFITS**

**To,**

The Board of Directors  
**Arabian Petroleum Limited**  
Plot 14-B, Morivali MIDC,  
Opp. Positive Packaging, Ambarnath (W),  
Thane – 421505,  
Mumbai, Maharashtra

**Dear Sir,**

**Subject: Statement of Possible Tax Benefits (“The Statement”) available to Arabian Petroleum Limited (“The Company”) and its shareholders prepared in accordance with the requirement in SCHEDULE VIII- CLAUSE (VII) (L) of Securities and Exchange Board of India (Issue of Capital Disclosure Requirements) Regulations 2018, as amended (“The Regulation”)**

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

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

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

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

The contents of the enclosed Annexure I are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. Our views are based on facts and assumptions indicated to us and the existing provisions of tax law and its interpretations, which are subject to change or modification from time to time by subsequent legislative, regulatory, administrative, or judicial decisions. Any such changes, which could also be retrospective, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein. This report including enclosed annexure are intended solely for your information and for the inclusion in the Draft Prospectus/ Prospectus or any other issue related material in connection with the proposed initial public offer of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For M/s M N T And Associates LLP**  
**Chartered Accountants**  
**FRN: W100115**

**Sd/-**

**CA Mahesh Gala**

***ARABIAN PETROLEUM LIMITED***

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**Partner**

**M. No. 116548**

**Date: 15/06/2022**

**Place: Thane**

**UDIN: 22116548ALTMM03734**

**Enclosed:**

Annexure I: Statement of possible special tax benefits available to the Company and to the shareholders of the Company under applicable direct and indirect tax laws.

**ANNEXURE I**

**STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND TO THE SHAREHOLDERS OF THE COMPANY UNDER APPLICABLE DIRECT AND INDIRECT TAX LAWS**

*The information provided below sets out the possible special tax benefits available to the Company and the Equity Shareholders under the Income-tax Act, 1961 ("IT Act") as amended from time to time and applicable for financial year 2021-2022 relevant to assessment year 2022-23 (AY 2022-23) and Indirect Tax Regulations as amended from time to time and applicable for financial year 2021-22. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.*

**A. SPECIAL TAX BENEFITS UNDER THE IT ACT IN THE HANDS OF ARABIAN PETROLEUM LIMITED.**

There are no Special tax benefits available to Company.

**B. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS UNDER IT ACT**

There are no special tax benefits available to the shareholders (other than resident corporate shareholder) of the Company under the provisions of the Act.

Notes:

1. The above Statement 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.
2. The above Statement covers only certain relevant benefits under Income tax Act, 1961 read with relevant rules, circulars and notifications and does not cover any indirect tax law benefits or benefit under any other law.
3. The above Statement of possible tax benefits is as per the current Income tax Act, 1961 read with relevant rules, circulars and notifications relevant for the Assessment Year 2022-23.
4. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.
5. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant double tax avoidance agreements, if any, between India and the country in which such non-resident is a tax resident of.
6. Our views expressed in this Statement are based on the facts and assumptions as indicated in the Statement. 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.

**C. SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF ARABIAN PETROLEUM LIMITED**

There are no Special Indirect tax benefits available to Company

**SPECIAL TAX BENEFITS UNDER THE INDIRECT TAX REGULATIONS IN THE HANDS OF THE SHAREHOLDERS**

There are no Special Indirect tax benefits available to the shareholders for investing in the shares of the Company.

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

Notes:

1. The above Statement of Indirect Tax benefits sets out the special tax benefits available to the Company and its shareholders under the Indirect Tax laws mentioned above.
2. The above Statement covers only above-mentioned tax laws benefits and does not cover any Income Tax law benefits or benefits under any other law.
3. This Statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

**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.**

**SECTION V: ABOUT THE COMPANY**

**INDUSTRY OVERVIEW**

The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. Neither we nor any other person connected with the issue has independently verified the information provided in this section. Industry sources and publications, referred to in this section, generally state that the information contained therein has been obtained from sources generally believed to be reliable but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured, and, accordingly, investment decisions should not be based on such information.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Prospectus, including the information in **“Our Business”** and **“Financial Information”** beginning on pages 95 and 144 respectively of this Draft Prospectus. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see **“Risk Factors”** beginning on page 21 of this Draft Prospectus.

**Global Economic Environment**

The COVID-19 pandemic continued to impact the global economic environment during 2021. The first half (H1) of the calendar 2021 witnessed an acceleration in the global economic activity, that lifted the merchandise trade above its pre-pandemic peak. Reflecting this, International Monetary Fund (IMF) in its World Economic Outlook (WEO) October 2021 edition projected higher growth of global trade volume in goods and services of 9.7 percent in 2021, moderating to 6.7 percent in 2022, in line with the projected global recovery. World Trade Organization (WTO) in its October 2021 release, also upgraded its forecast for global merchandise trade volume growth to 10.8 percent in 2021, followed by a 4.7 percent rise in 2022.

**Projection for World Trade Volume Growth**



Source: IMF and WTO

Note: Projections. The shaded area represents projected growth.

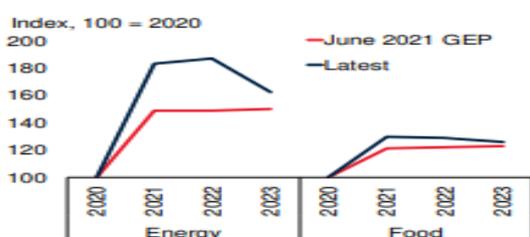
(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap03.pdf>)

Global growth is estimated to have surged to 5.5 percent in 2021—its strongest post-recession pace in 80 years, as a relaxation of pandemic-related lockdowns in many countries helped boost demand. Notwithstanding this annual increase, resurgences of the COVID-19 pandemic and widespread supply bottlenecks weighed appreciably on global activity in the second half of last year. Moreover, emerging market and developing economies (EMDEs) are experiencing notably weaker and more fragile recoveries compared to those in advanced economies as a result of slower vaccination progress, a more limited policy response, and the pandemic’s scarring effects. In particular, these scarring effects on potential output reflect the pandemic’s adverse impact on EMDE physical and human capital. Among the most vulnerable countries, the impact of the pandemic will reverse several years of income gains.

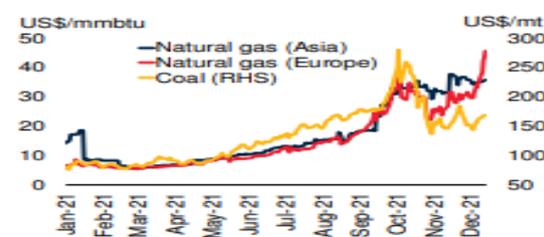
Against this backdrop, the global economy is set to experience its sharpest slowdown after an initial rebound from a global recession since at least the 1970s. Global growth is projected to decelerate from 5.5 percent in 2021 to 4.1 percent in 2022, reflecting continued COVID-19 flare-ups, diminished policy support, and lingering supply disruptions. Growth is envisioned to slow further in 2023, to 3.2 percent, as pent-up demand is depleted and supportive macroeconomic policies continue to be unwound. Growth in advanced economies is forecast to decelerate from 5 percent in 2021 to 3.8 percent in 2022 as the unwinding of pent-up demand only partly cushions a pronounced withdrawal of fiscal policy support. Growth is projected to moderate further in 2023 to 2.3 percent as pent-up demand is exhausted. Despite the slowdown, the projected pace of expansion will be sufficient to return aggregate advanced-economy output to its prepandemic trend in 2023 and thus complete its cyclical recovery. A solid rebound is projected for investment, based on sustained aggregate demand and broadly favorable financing conditions.

Energy prices surged in the second half of 2021, and their projected path has been revised up markedly. Natural gas and coal prices increased particularly sharply, driven by a rebound in demand and supply constraints, although coal prices receded toward the end of the year. Oil demand is expected to regain its pre-pandemic level in 2022. Metal prices have diverged, with iron ore peaking and then falling amid China’s restrictions on steel production, and most base metal prices boosted by robust demand. Food prices are expected to decline slightly from recent levels, although high fertilizer prices are an upside risk.

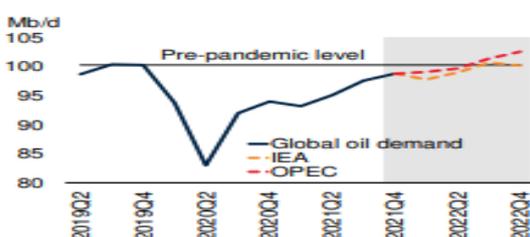
**A. Commodity price forecast changes**



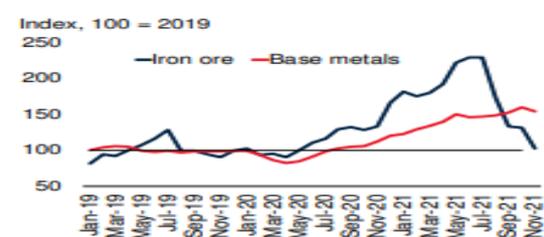
**B. Natural gas and coal prices**



**C. Oil demand**



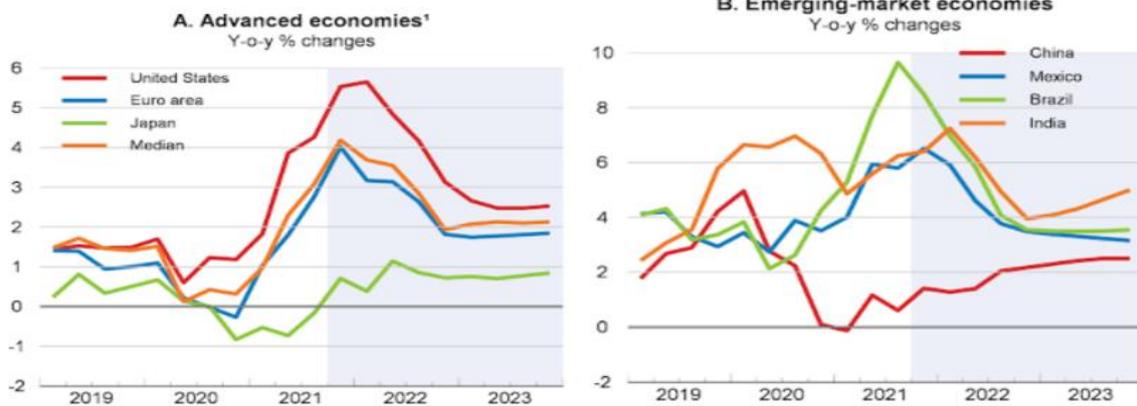
**D. Base metal and iron ore prices**



Sources: Bloomberg; IEA (2021a); OPEC (2021); World Bank.  
 A. Red line corresponds to the forecast at the time of the June 2021 *Global Economic Prospects* (GEP) report (World Bank 2021a). Blue line refers to the current forecast.  
 B. Last observation is December 16, 2021.  
 C. Horizontal black line indicates pre-pandemic level. Dashed lines are forecasts, taken from the IEA’s December Oil Market Report (IEA 2021a) and OPEC’s December Monthly Oil Market Report (OPEC 2021).  
 D. Base metals are a weighted average of aluminum, copper, lead, nickel, tin, and zinc. Last observation is November 2021.

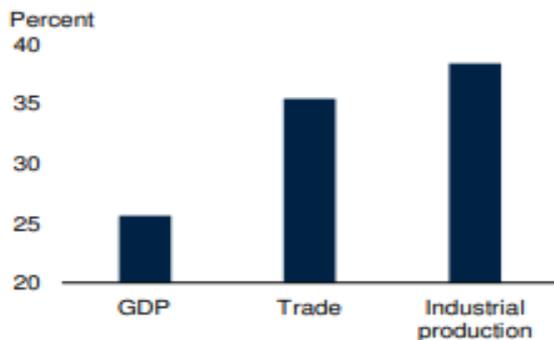
Headline consumer price inflation is projected to peak in the majority of advanced and emerging-market economies by the first quarter of 2022, before moderating gradually. Large increases in commodity prices, including recent jumps in energy costs, supply shortages, and higher transportation costs are key factors that have pushed up prices around the world. In the major economies, higher shipping costs and commodity prices are estimated to be adding over 1½ percentage points to consumer price inflation in the latter part of 2021, accounting for around three-quarters of the jump in inflation since the fourth quarter of 2020 (OECD, 2021c). The impact of these input price rises on consumer price inflation is expected to fade gradually through 2022-23, with key bottlenecks easing as capacity expands and the rebound in consumer demand growth moderates. Broader cost pressures, particularly in labour markets, are projected to remain moderate but pick up slowly as the recovery proceeds, with unit labour costs in the OECD economies rising by around 1¼ per cent in 2022 and 1¾ per cent in 2023.

Inflation is projected to peak by early 2022 in most countries but remain above pre-pandemic levels



Global goods trade has recovered swiftly, driven by a rotation of demand toward trade-intensive manufactured goods, as suggested by the close comovement of global trade and industrial production. Incoming data suggest that significant strains on supply chains may be easing slightly.

**A. Share of variance of global activity, trade, and industrial production accounted for by common factor**

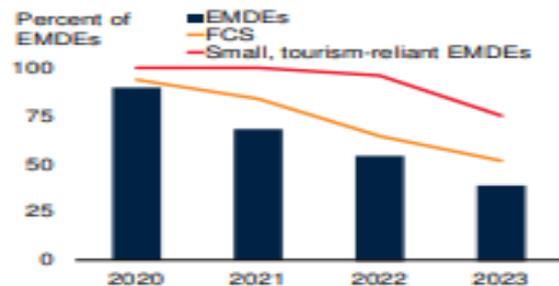


**B. Global trade indicators**

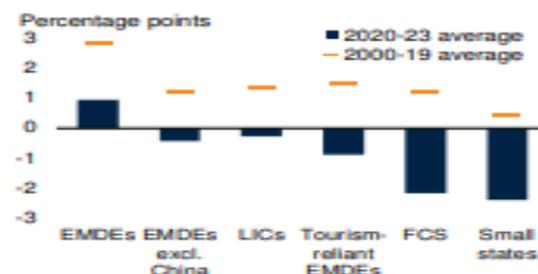


Per capita income in about 40 percent of emerging market and developing economies (EMDEs) is not expected to return to its 2019 level over the next two years—most notably in small, tourism-reliant economies. Gaps in per capita income relative to advanced economies are expected to widen in many EMDEs, especially in those facing fragile and conflict-affected situations, reversing progress made in previous years. The pandemic is estimated to have worsened inequality trends in all EMDE regions.

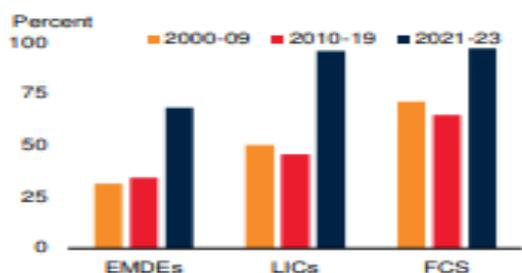
**A. Share of EMDEs with lower per capita GDP levels than in 2019**



**B. Per capita income growth relative to advanced economies**



**C. Share of EMDEs with per capita income growth slower than in advanced economies**



**D. COVID-19 induced increases in income inequality**



(Source: <https://openknowledge.worldbank.org/bitstream/handle/10986/36519/9781464817601-ch01.pdf>)

**Overview of the Indian Economy**

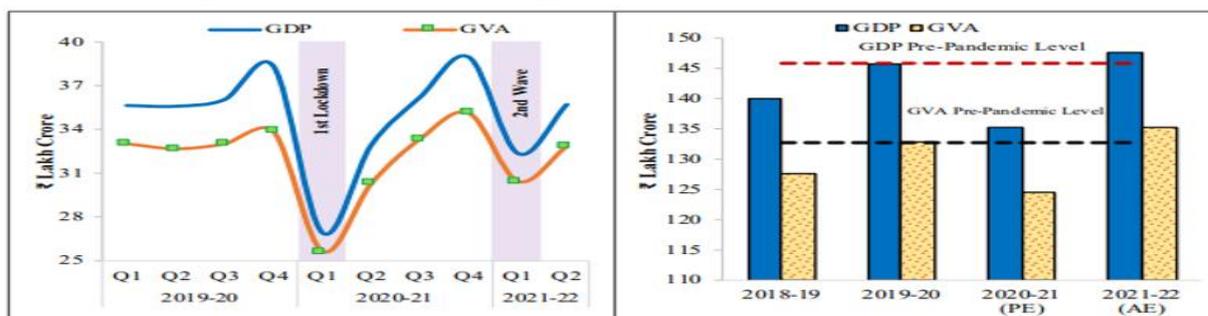
Prime Minister Shri Narendra Modi has laid down India’s vision to become a US\$5 trillion economy by 2025, and to achieve this goal India needs to shift its gears to accelerate and sustain a real GDP growth rate of 8%. Such growth can only be sustained by a “virtuous cycle” of savings, catalysing investment and exports and supported by a favourable demographic phase. Investment, especially private investment, drives demand, creates capacity, increases labour productivity, introduces new technology, allows creative destruction, and generates jobs. Hence, the government continues to push for transformative reforms to attract more investments and make India an economic powerhouse across Asia-Pacific and beyond.

(Source: [https://www.indembassyisrael.gov.in/pdf/Overview\\_of\\_Indian\\_economy.pdf](https://www.indembassyisrael.gov.in/pdf/Overview_of_Indian_economy.pdf))

The Indian economy is estimated to grow by 9.2 per cent in real terms in 2021-22 (as per the First Advance Estimates), after a contraction of 7.3 per cent in 2020-21. Growth in 2022-23 will be supported by widespread vaccine coverage, gains from supply-side reforms and easing of regulations, robust export growth, and availability of fiscal space to ramp up capital spending. The year ahead is also well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of the economy. Thus, India’s GDP is projected to grow in real terms by 8.0-8.5 per cent in 2022-23. This projection is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US\$70-\$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.

The Indian economy, as seen in quarterly estimates of GDP, has been staging a sustained recovery since the second half of 2020-21. Although the second wave of the pandemic in April June 2021 was more severe from a health perspective, the economic impact was muted compared to the national lockdown of the previous year (see Figures 1 & 2). Advance estimates suggest that GDP will record an expansion of 9.2 per cent in 2021-22. This implies that the level of real economic output will surpass the pre-COVID level of 2019-20.

**Gross Domestic output (Constant Prices, Base Year: 2011-12)**



Source: National Accounts Statistics (NSO), MoSPI

(Source: <https://www.indiabudget.gov.in/economicsurvey/doc/eschapter/echap01.pdf>)

## ARABIAN PETROLEUM LIMITED

Against the backdrop of the collapse in world trade, India's merchandise exports and imports contracted by 7.3 per cent and 18.0 per cent, respectively, during 2020-21. A fall in prices, combined with a decline in volume by 3.5 per cent, pulled down exports. The stringent measures, which were imposed domestically to curb the spread

of the pandemic disrupted export supply chains, especially in Q1:2020-21. Only pharmaceuticals, agricultural products and iron ore could withstand the onslaught of the pandemic. A revival gained strength in Q3, on the back of growth in non-oil exports (3.1 per cent).

India's GDP contraction of 23.9 per cent in Q1: FY 2020-21 and 7.5 per cent in Q2: FY 2020-21 quarter reflect the unparalleled effect of the Covid-19 pandemic and the containment measures that were taken to control the pandemic. The contraction was consistent with the India's enforcement of one of the most stringent lockdowns as reflected in the Government Response Stringency Index measured by Oxford University. The fundamentals of the economy remained strong as gradual scaling back of lockdowns, along with the astute support of Atmanirbhar Bharat Mission has placed the economy firmly on the path of recovery. NSO has estimated a contraction of real GDP by 7.7 per cent in 2020-21 as compared to a growth of 4.2 per cent in 2019-20.

(Source: <https://www.rbi.org.in/scripts/AnnualReportPublications.aspx?Id=1315>)

The Union Minister for Finance & Corporate Affairs Smt Nirmala Sitharaman tabled the Economic Survey 2021-22 in Parliament, which states that the year ahead is well poised for a pick-up in private sector investment with the financial system in a good position to provide support to the revival of economy. The growth projection for 2022-23 is based on the assumption that there will be no further debilitating pandemic related economic disruption, monsoon will be normal, withdrawal of global liquidity by major central banks will be broadly orderly, oil prices will be in the range of US\$70-\$75/bbl, and global supply chain disruptions will steadily ease over the course of the year.



According to Survey, the industrial sector went through a sharp rebound from a contraction of 7 per cent in 2020-21 to an expansion of 11.8 per cent in this financial year. The manufacturing, construction and mining sub-sectors went through the same swing although the utilities segment experienced a more muted cycle as basic services such as electricity and water supply were maintained even at the height of the national lockdown. The share of industry in GVA is now estimated at 28.2 per cent.

The Survey added that total consumption is estimated to have grown by 7.0 per cent in 2021-22 with government consumption remaining the biggest contributor as in the previous year. Government consumption is estimated to grow by a strong 7.6 per cent surpassing pre-pandemic levels. Private consumption is also estimated to have improved significantly to recover 97 per cent of corresponding pre-pandemic output level and it is poised to see stronger recovery with rapid coverage in vaccination and faster normalization of economic activity.

Referring to First Advance Estimates, the Survey states that the Indian economy is estimated to grow by 9.2 per cent in real terms in 2021-22, after a contraction of 7.3 per cent in 2020-21. This implies that overall economic activity has recovered past the pre-pandemic levels. Almost all indicators show that the economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21, even though the health impact was more severe.

**GDP Growth**



According to the Survey, Investment, as measured by Gross Fixed Capital Formation (GFCF) is expected to see strong growth of 15 per cent in 2021-22 and achieve full recovery of pre-pandemic level. Government’s policy thrust on quickening virtuous cycle of growth via capex and infrastructure spending has increased capital formation in the economy lifting the investment of GDP ratio to about 29.6 per cent in 2021-22, the highest in seven years. While private investment recovery is still at a nascent stage, there are many signals which indicate that India is poised for stronger investment. A sturdy and cleaned-up banking sector stands ready to support private investment adequately.

On the Exports and Imports front, the Survey states that India’s exports of both goods and services have been exceptionally strong so far in 2021-22. Merchandise exports have been above US\$30 billion for eight consecutive months in 2021-22, despite many pandemic related global supply constraints. Net services exports have also risen sharply, driven by professional and management consulting services, audio visual and related services, freight transport services, telecommunications, computer and information services. From a demand perspective, India’s total exports are expected to grow by 16.5 per cent in 2021-22 surpassing pre-pandemic levels. Imports also recovered strongly with revival of domestic demand and continuous rise in price of imported crude and metals. Imports are expected to grow by 29.4 per cent in 2021-22 surpassing corresponding pre-pandemic levels. Resultantly, India’s net exports have turned negative in the first half of 2021-22, compared to a surplus in the corresponding period of 2020-21. But current account deficit is expected to remain within manageable limits.

Further, the Survey points out that despite all the disruptions caused by the global pandemic, India’s balance of payments remained in surplus throughout the last two years. This allowed the Reserve Bank of India to keep accumulating foreign exchange reserves, which stand at US\$634 billion on 31<sup>st</sup> December 2021. This is equivalent to 13.2 months of imports and higher than the country’s external debt.

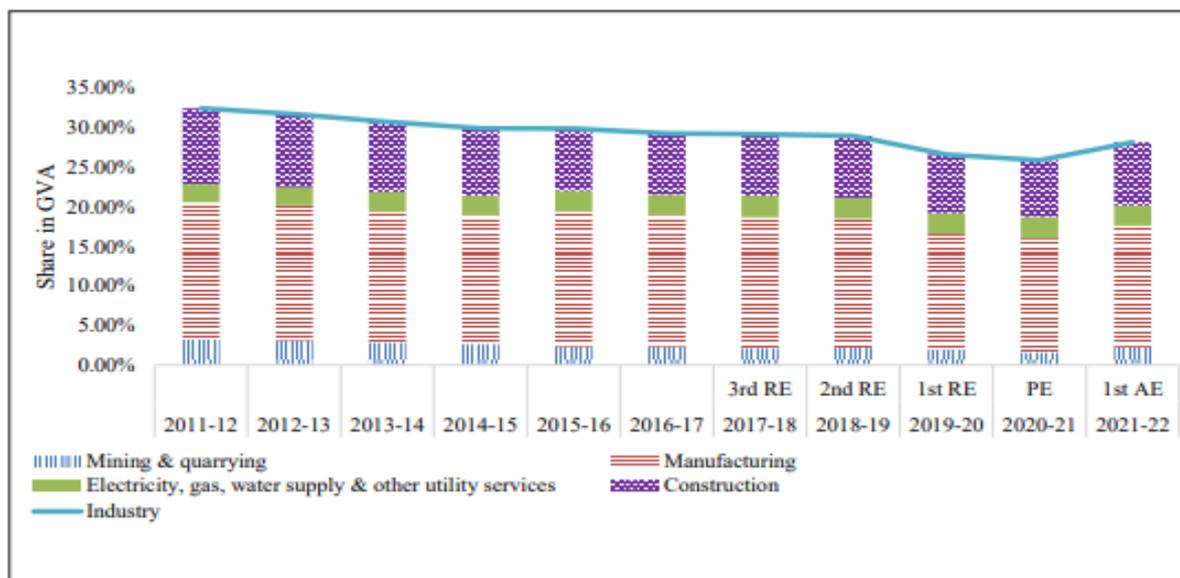
**Industry**

COVID-19 pandemic led to disruptions in global economic activity impacting not only the lives but also livelihoods. The Indian industry experienced interlude in business activity leading to slowdown in its performance. With the gradual unlocking of the country coupled with supportive policy initiatives which included easing of supply side bottlenecks through easier access to credit especially, emergency credit line guarantee scheme to MSMEs, relief to the real estate sector, production-linked incentives for 14 champion sectors and other direct tax measures, the industrial growth started to recover. In the past few months, record vaccinations as well as improvement in consumer demand and business confidence have had a positive impact on the performance of the industrial sector. This period also saw a boost to digital infrastructure, structural reforms in telecommunications and big-ticket disinvestment in Air India. The pace of this recovery and further growth is likely to continue due to consistent efforts of the government to bring in various structural, fiscal and infrastructural reforms in addition to a slew of measures/ schemes like the production linked incentive scheme (PLI) to support industries

The gross value addition at constant prices (GVA) in the industrial sector grew at the compound annual growth rate (CAGR) of 4.53 percent between 2011-12 and 2019-20 while total GVA grew by CAGR of 5.63 percent over the same period. The share of the industrial sector in the nominal GVA(at current prices) was 25.9 percent

in 2020-21. With the industrial sector recovering and expected to grow at 11.8 percent, as per advance estimates for 2021-22 by National Statistical Office, industry's share is expected to increase to 28.2 percent.

**Share of Industry and its components in Gross Value Added.**



### Oil Industry

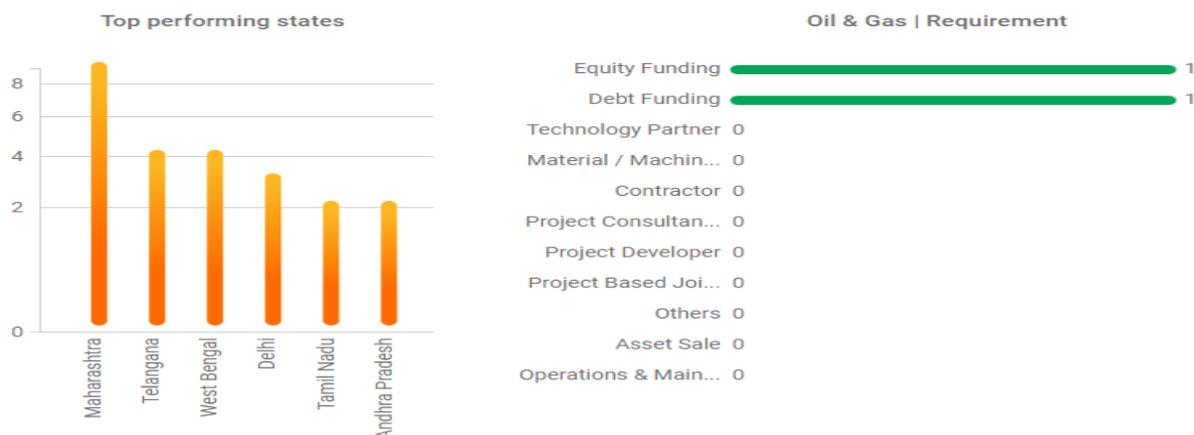
Oil and natural gas are major industries in the energy market and play an influential role in the global economy as the world's primary fuel sources. The processes and systems involved in producing and distributing oil and gas are highly complex, capital-intensive, and require state-of-the-art technology. Historically, natural gas has been linked to oil, mainly because of the production process or upstream side of the business. For much of the history of the industry, natural gas was viewed as a nuisance and even today is flared in large quantities in some parts of the world, including the United States. Natural gas has taken on a more prominent role in the world's energy supply as a consequence of shale gas development in the United States, as mentioned above, and its lower greenhouse gas emissions when combusted when compared to oil and coal.

This guide looks at the business of oil and gas and is intended to serve as a research aid to sources worldwide, with a specific emphasis on the United States. It covers a brief history of the oil and gas industry, an overview of companies and organizations, statistic and pricing resources, and regulations. The industry is often divided into three segments:

- upstream, the business of oil and gas exploration and production;
- midstream, transportation and storage; and
- downstream, which includes refining and marketing.

(Source: <https://guides.loc.gov/oil-and-gas-industry> )

India is the 3rd largest consumer of oil in the world, after the United States & China. Almost 42% of India's energy consumption comes from Oil and Gas. As on 31 March 2017, estimated reserves of crude oil in India stood at 604.10 mn tonnes (MMT). Estimated reserves of natural gas in India stood at 1289.81 bn cubic meters (BCM) and that of coal bed methane (CBM) resources are of the order of 2600 bn cubic metres (BCM).



(Source: <https://indiainvestmentgrid.gov.in/sectors/oil-and-gas> )

**Lubricant Industry**

Lubricating oil is considered as a fluid structural element of machines and devices. Its main task is to create a layer in the form of a microfilm between the moving elements of the device. Due to the specific properties, lubricating oil during operation can fulfill many functions, such as minimization of friction, elimination of scuffing of rubbing machine elements, washing of carbon deposits and micro particles, anti-corrosion, cooling, and other effects. Both environmental and application properties must be supported when the lubricants content is designed. Therefore, it must be characterized not only by an accurate biodegradability rate, but also, by appropriate physicochemical properties, such as an appropriate range of the viscosity index, dynamic viscosity at negative temperatures, melt temperatures, flash points, evaporability, as well as the basic or acidic number. Lubricating oil is a mixture of base oil (>85%) and enriching additives.

(Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6720566/>)

Growing stature of India in the global market as a sourcing hub for manufacturing industry and increase in export of lubricants from India to the rest of the world which will lubricator Industry’s growth in the coming years.

India enjoys several advantages for the growth of lubricator industry such as Design Skills (like CAD,CAM), Lower cost of manufacture, Availability of raw materials, Availability of skilled manpower, Presence of support industries (like plastic & machine tools), Growth in end user industries, Proximity to Key Global Markets, Supportive Government policies, etc.

The growing Indian Economy, Increasing demand for lubricants equipment, push to the infrastructure of the country by the government, rising oil, steel, Automobile sector are result in demand for lubricators.

Growing per-capita income and disposable income which is resulting in strong and growing domestic demand for Oil & Gas, Steel, Automobiles, power plant, coal Industry and other manufacturing units.

In the Asia-Pacific region countries such as India, China, Indonesia and Japan are rapidly increasing their infrastructure projects steel Oil & Gas sector which also acts as a major key factor for increasing requirement of lubrication device.

India is the second-largest lubricant consumer in the region, and exports from the sector have registered a consistent increase over the past few years.

### **The demand in the domestic market**

India is the second-largest lubricant consumer in the region, and third in the world, after the United States and China. The country is the fourth and sixth largest producer of commercial vehicles and passenger cars, respectively.

In India, with the increasing demand for vehicles, several automakers have started investing heavily in various segments of the industry. Furthermore, the Indian government has been rolling out initiatives to attract FDI in the automotive industry, allowing 100% FDI under the automatic route. The government has also planned to introduce a new Green Urban Transport Scheme with central assistance of about INR 250 billion, to boost the growth of urban transport, along the low-carbon path, with an aim to reduce air pollution substantially.

The aforementioned growth in the automotive industry is expected to boost the demand for lubricants in the country.

### **Proposed schemes**

**Promote Technology and Research & Development:** Today in India, R & D work done by the industry is in isolation. R & D is not generally done in consultation with user sector. This needs to be changed and more interaction is necessary with the users to bring about innovative changes and add value to the products. Government Laboratories to focus on developing technologies that have impact on Lubricant equipment manufacturing.

(Source: [http://dcmsme.gov.in/46\\_Lubricators%20by%20D%20Mitra.pdf](http://dcmsme.gov.in/46_Lubricators%20by%20D%20Mitra.pdf) )

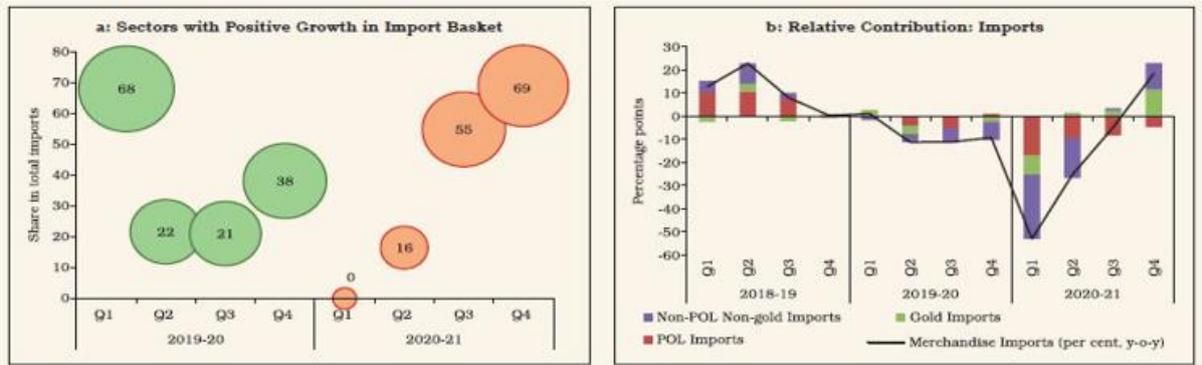
As a part of innovative strategies for growth, BPCL entered into co-branding arrangement with TELCO and launched co-branded gear oil grades, automatic transmission fuel and multipurpose grease for all commercial vehicles. In addition to domestic market, BPCL is also looking into export market to sell lubricants.

A major thrust has been given to Research and Development to support the Lubricant business initiatives. Following new products were developed : i) Speed - Branded Premium Petrol ii) High Performance Engine Oil for Gasoline iii) Customer specific Rust Preventive Oils iv) Gas Engine Oil for stationary natural gas engines v) Exclusive grades for Defence vi) Original Equipment Manufacturer (OEM) specific Hydraulic Oils vii) Alternate formulations for existing grades

(Source: <http://petroleum.nic.in/sites/default/files/AR03-04.pdf>)

The sectoral composition reveals that the contraction in imports was broad-based. The rolling out of stimulus packages, along with the gradual easing-up of lockdown measures during the festival season, resulted in a recovery in domestic demand (Chart II.6.6a). Commodity-wise, petroleum, oil and lubricants (POL), transport equipment, machinery, coal, pearl and precious stones and iron and steel are the major sectors which pulled down import growth during the year (Chart II.6.6b).

**Share of Sectors showing positive growth in Import Basket and Relative Contribution in Import Growth**



India is the world’s third-largest crude oil consumer after the US and China, with an import dependency of nearly 85 per cent, POL plays a critical role in total import payments. With the imposition of lockdown and travel curbs, the demand for POL collapsed, and POL import bill fell to US\$ 82.4 billion (a decline of 36.9 per cent, y-o-y) during 2020-21 from US\$ 130.6 billion in the corresponding period of the previous year. Lower POL imports reflected a fall in international crude oil prices (Indian basket) by 25.9 per cent (y-o-y) along with an estimated decline in volumes by 13.8 per cent

(Source: <https://rbi.org.in/scripts/AnnualReportPublications.aspx?Id=1315>)

**OUR BUSINESS**

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

*All financial information included herein is based on our “Financial information of the Company” included on page 144 of this Draft Prospectus.*

**OVERVIEW**

We are in the business of manufacturing wide range of Lubricants including Specialty Oils, Coolants etc used for application in automobiles and industrial machines and appliances. Our business is categorized into two distinctive product division: **(i) Automotive Lubricants – Arzol and (ii) Industrial Lubricants – SPL**. We are dedicated to consistently providing products that deliver stellar quality and comply with statutory requirements in the Automotive and Industrial Lubricants domain.

Our Company took over the manufacturing and trading business of Industrial & Automotive Lubricants from the proprietorship firm “Arabian Petroleum” run by its proprietor Hemant D Mehta HUF vide Business Takeover agreement dated December 25, 2015, in the manner that all the Know- how, goodwill, clients of the proprietorship firm were transferred to the company and the company set up its own manufacturing facility at a plant in Ambernath situated at Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath, Thane – 421505, Maharashtra, India. Thereafter our company started its manufacturing activities with 10 blending machines. In the year 2019 we further expanded our manufacturing activities to Factory Unit-2 situated at Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambernath (W), Distt- Thane-421505, Maharashtra, India and added 2 more blending machines with total installed capacity of 40590 KLPA Our combined in-house storage capacity of storage tanks at both our manufacturing facilities for base oil, additives, waxes as on December 31, 2021 is approximately 2000 KL and that for semi-finished or finished products is approximately 500 KL. We are accredited with ISO 9001:2015 Quality Management System, ISO 45001:2018 Occupational health and Safety Management System and ISO 14001:2015 Environmental Management System for Manufacturing and supply of Industrial and Automotive Lubricants.

In the year 2021 our company was licensed by American Petroleum Institute (API) to use API mark on some of its products like: Arzol Milage Synactiv, Arzol Super Duty and Arzol Synpros.

Our domestic and international customers are spread across multiple industries, including pharmaceutical, FMCG, chemicals, steel, rubber and tyre, power, civil engineering, electrical appliances, textile, telecommunication, chemical, cables and conductors and automobile industry etc. Apart from private players, we also derive our revenues under the contracts from the Government sectors (both central and state) and associated entities. We are honored to be one of the suppliers of lubricants to the Indian Armed Forces and have successfully delivered lubricant products to Border Security Force (BSF), Indian Air Force (IAF) and Indian Navy across various parts of the country.

We are approved vendor of Volvo Group Trucks Technology, Renault Group and MACK Trucks for our product “Milage Synactivs 15W-40” engine oil. Some of our clientele include: Varroc Engineering Limited, Mahindra First Choice Services Limited, Greaves Cotton Limited, Gabriel India Limited, Ki Mobility Solutions Private Limited - TVS Group Company, HELLA India Lighting Ltd, Petrelplus Inc, Nand Persaud & Co Ltd, J K Files (India) Limited - a Raymond Group Company, Godrej & Boyce Manufacturing Co. Ltd etc. We also have government clientele including BEML Limited, Bharat Coking Coal Limited, Bharat Electronics Limited, Bharat Heavy Electricals Limited, Hindustan Aeronautics Limited, Indian Air Force, Mazagon Dock Shipbuilders Limited, Indian Navy (Controller of Procurement Material Organisation), Municipal Corporation of Greater Mumbai, Indian Railway, Western Coalfields Limited, SouthEastern Coalfields Limited, Northern Coalfields Limited etc. Furthermore we are exporting our products to countries like: Guyana, Oman, Qatar, Vietnam, Sri Lanka, Sierre Leone, Zambia, Bangladesh, Chile etc.

## **ARABIAN PETROLEUM LIMITED**

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We sell our automotive lubricants under the brand name of “Arzol” and Industrial Lubricant under the brand name of “SPL Lubricants” through:

- Retail packs: Ranging from 175ML to 20L packs that are sold in plastic packets, HDPE containers and pails for our retail customers;
- Wholesale packs: Ranging from 26L to 210L that are sold in HDPE containers and tin containers for our wholesalers and our institutional customers; and
- Institutional sales: For bulk supply of our products in the tankers to institutional customers, subject to their requirements.

We also manufacture and package lubricants on job work basis for some of the customers for B2B applications. We have diversified our product portfolio, mainly due to our strong research and development (“R&D”), technological and laboratory capabilities. Our R&D capabilities include product design, product engineering, product simulation, prototyping and testing. Our R&D activities are mainly undertaken at our manufacturing facilities at Ambarnath. Our research activities are focused on creating new products and solutions which are customized to meet customer expectations and end-user preferences and also improving our production processes and improving the quality of our existing products.

Our Company is led by our Managing Director, Mr. Hemant Dalsukhrai Mehta and Whole Time Directors Mr. Manan Hemant Mehta and Mr. Dharman Manoj Mehta having an overall experience of around 41 years, 9 years and 7 years respectively. We have received the below mentioned prestigious awards in the past that bear testimony to the faith our customers have in us and our ability to successfully serve and meet their requirements.

- We have been ranked amongst the High Growth Company in the Asia-Pacific in a report by the Financial Times consecutively for FY 2021 and FY 2022
- Our Company is recognized amongst the Top 10 Lubricant manufacturers in the year 2021 by Industry Outlook in acknowledgement of its unwavering focus and dedication to achieve excellence in quality and delivery in this field.
- The Economic Times and Statista recognized our Company as one of the India’s Growth Champions 2021

For the stub period ended on December 31, 2021 and financial years ended on March 31, 2021, March 31, 2020 and March 31, 2019 our Revenue from Operations were Rs 14,015.25 lakhs, Rs 10,998.70 lakhs, Rs 8,392.40 lakhs and Rs 7,757.50 lakhs respectively and PAT were Rs 343.30 lakhs, Rs 287.54 lakhs, Rs 281.23 lakhs and Rs 128.37 lakhs respectively.

### **OUR COMPETITIVE STRENGTHS**

#### ***One Stop Shop for All Lubricants***

We are one of the few manufacturers in India with comprehensive in-house capabilities of developing and manufacturing various types of Automotive and Industrial Lubricants including Specialty Oils, Coolants etc. Our products cater to multiple industries like: pharmaceutical, FMCG, chemicals, steel, rubber and tyre, power, civil engineering, electrical appliances, textile, telecommunication, chemical, cables and conductors and automobile industry etc. Our Company develops and manufactures a wide range of lubricating products with excellent demulsibility, oxidation and high thermal stability, low operational cost, protection against rust and corrosion, improved cleanliness, good water separating capability etc. We have special tailor-made products for onward usage by our customers to ensure efficient and effective functioning of their engines, appliances or machineries contributing to reduction in wear, noise and vibration levels through proper lubrication. All raw materials procured for manufacturing our products are sourced from trusted vendors and our quality control team applies stringent quality measurements at every manufacturing stage to ensure low rejection rate such that our finished product confirms to the exact requirement of our customers and successfully passes all validations and quality checks.

Moreover our company has entered into exclusive agreement with the subsidiary company of Ukraine based XADO group for use of its raw materials with revitalizing technology in blending its PROBUZ and REVERTO lubricants. Owing to the critical end applications of our products and such stringent quality requirements, we believe it becomes very difficult for new players to get qualified for the products we manufacture.

#### ***Research and development capabilities allowing product innovation and customization***

In order to enhance our product offerings, we have leveraged our adaptability and manufacturing agility by continually investing in the Research and Development activities of the company over the years. We have developed in house research and development capabilities to understand the customer preferences and develop

customized product applications to cater to their specific needs. We believe that our ability to develop new product application and customized products to suit customer needs have helped us in expanding our customer base and thereby enabling us to establish our position in the market.

Our emphasis on research and development has been critical to our success. Our research and development initiatives focus to improve yields and process efficiencies for our customers. We are also investing in developing new products to further grow our portfolio. For example, we have successfully developed High Speed Knitting Oil, Water based alkaline cleaners, etc and we are currently in process of developing Expander Oil.

#### ***Long Standing Relationship with our customers***

Our past experience in the supply of our products, ability to meet specific technical requirements of our customers, reputation for quality and safety features present in our products and the price competitiveness of our offerings, has not only strengthened our position in the market but also has enabled us to establish and maintain relationships with our customers. We strive to understand our customers' specific business needs and provide products to meet their requirements. Our ability to provide quality products as per the customer specification, and our consistent customer servicing standards has enabled us to increase our customers' dependence on us.

We believe the engineering and the formulation capability of our Company, evolved over the years and has enabled us to consistently offer quality products, within stipulated timelines and at reasonable cost in most cases, allowing us to forge a robust relationship with our customers.

Our Company offers dedicated pre and after sales support services involving machinery analysis report, recommendation guide for suitable lubricant, trouble shooting / machine management review, machinery lubrication programme, condition monitoring, site investigation report, accurate sampling etc.

#### ***Quality Assurance and Standards***

Quality Control and Quality Assurance are integral part of our manufacturing operations. We believe that quality is an ongoing process of building and sustaining relationships. To assure the quality standards, all the incoming raw materials & packing materials are sampled and tested prior to use. Finished products are completely tested and released for sale only after the Quality Control department issues the QC release certificates. For adherence to our Quality standards we are accredited with ISO 9001:2015 – for Quality Management System for Manufacturing and supply of Industrial and Automotive Lubricants, ISO 45001:2018 for Occupational, health and Safety Management System for Manufacturing and supply of Industrial and Automotive Lubricants and ISO 14001:2015 for Environmental Management System for Manufacturing and supply of Industrial and Automotive Lubricants. Over and above there are constant checks by way of in-process controls. Our commitment of providing quality products is boasted by our industry knowledge expertise of our experienced and trained team to provide quality output to our customers.

#### ***Experienced and Qualified Management.***

We are led by a qualified and experienced management team that we believe has the expertise and vision to manage and grow our business. Our Managing Director, Mr. Hemant Dalsukhrai Mehta, has an experience of 41 years and our Whole Time Directors Mr. Manan Hemant Mehta is B.Tech and MBA with an experience of 9 years and Mr. Dharman Manoj Mehta is a Chartered Accountant with an experience of 7 years. Thus we are well placed to capitalize the knowledge and experience of our management team which has been instrumental in growth of our Company. Our management team has substantial experience in the sectors which we serve, which enables us to capture market opportunities, formulate and execute business strategies, manage client expectations as well as proactively respond to changes in the market conditions.

## **OUR BUSINESS STRATEGIES**

### ***Strengthening our Industrial and Automotive lubricants products portfolio***

We believe increased focus on Industrial and Automotive lubricants product portfolio will result in consolidating our market position, broadening our offering capabilities in the industry and enhancing our brand visibility. We propose to strategically move along the production chain and diversify our product offerings beyond the existing range of oils, lubricants and greases we currently offer. We intend to further diversify our

product base and include more value added products which yield better margins such as Specialty metalworking fluids, Auto care range of products, Mechanical Maintenance products, etc.

We have recently secured approval from Volvo Group Trucks Technology, Renault Group and MACK Trucks for our product “Milage Synactives 15W-40” engine oil. We aim to secure potential orders for these products and successfully manufacture and deliver them as per the customer specifications. Delivery of appropriate and quality products will pave the way for repeat orders leading to growth in revenue and profitability.

### ***Expanding our customer reach, distribution network and export sales***

Historically, direct customer relationships and distribution and depot network has been critical to our growth. We intend to continue developing and nurturing our customer relationships and existing distributor relationships, and create new customer base, distribution channels and depot network in under and non-penetrated geographies. We aim to further develop our domestic sales in primarily two types of territories: the first being those that are characterized by lower transportation costs, and the second, being those which have certain demand for our industrial and automotive lubricant products, where we can sell at price-points that can effectively offset higher transportation costs. Such expansion plans are intended to be effected by in-house examination of the market potential of various territories and our available distribution network in such geographies.

A certain portion of our business operations are focused on exports to international customers. For instance, we have in the past exported our products to countries like: Guyana, Oman, Qatar, Vietnam, Sri Lanka, Sierre Leone, Zambia, Bangladesh, Chile etc. We have been participating in various trade fairs, including TechInd Expo 2016, IESS 2015, AIMA INDEX 2022 at Nashik, Krishi Darshan March 2022 at Haryana, IMTEX, MET-HTS - 2018, Automechanika – Dubai 2019. to showcase our manufacturing capabilities and gain access of potential customers, whom we intend to collaborate with for their lubricant products requirements. We intend to continue expanding our international operations to enhance our global presence in the lubricant industry. We seek to identify markets where we believe we can provide cost and operational advantages to our clients and distinguish ourselves from other competitors. To support our exports and international presence, our Company has a dedicated business development resource. We have subscribed to few Tender Portals & Directories that publish upcoming tender information. Our overseas dealers scout the potential within their territories and update us for quotations.

The overall Indian auto components industry, which accounts for 2.3% of India's GDP currently, is set to become the 3rd largest globally by 2025 (Source: <https://www.investindia.gov.in/sector/auto-components>). Increasing demand for vehicles with increasing disposable incomes and affordability is leading to the high domestic growth. We intend to participate in the growing consumption pattern of auto lubricants by expanding our market reach through tie ups with original equipment manufacturers, brand promotion, strengthening our dealer and depot network by introducing promotional schemes, targeting underpenetrated regions for auto lubricants. Further, we intend to venture into semi-urban and rural areas with focus on two wheeler segment to achieve higher sales and margins.

### ***Continue to strive for cost efficiency***

We aim to continue to maintain our focus on cost management, including in-house integrated manufacturing capabilities across our business to deliver growth as well as to achieve economies of scale. We will continue to seek to manage our supply chain costs through optimal inventory levels, economic orders and other measures. Economies of scale will also enable us to continuously improve our operational efficiencies. Further, we intend to leverage technology for effective utilization of our machinery through digital solutions which would enable effective monitoring of the machine status and study of various shop floor patterns thereby allowing us to

address the bottlenecks and to improve our output efficiency. We also wish to target economies of scale to gain increased negotiating power on procurement.

**Focus on consistently meeting quality standards**

Our Company intends to focus on adhering to the quality standards of the products. Quality of the product is very important for the company from both customer point of view and regulatory point of view. Continuous quality review of products and timely corrective measures in case of quality diversion are keys for maintaining quality standards of the products. Providing the desired and good quality products help us in enhancing customer trust and maintaining long term relationships with customers.

**OUR PRODUCTS PORTFOLIO**

Company’s SPL brand of Industrial Lubricants provides products that improve productivity, reduces mechanical wear, prevents system failure, and reduces energy cost, by extending efficiency and performance of machines. APL offers a variety of oils and lubricants to choose from the classic to the contemporary and from the new and emerging, to the technologically advanced. It combines performance, longevity, efficiency and economy. These specific additives in the lubricants developed by the company improve performance by controlling the chemical breakdown, maintaining viscosity and lubricity; thereby optimizing maintenance cost.

**A) INDUSTRIAL LUBRICANTS**

We market our Industrial lubricant products under our registered brands “SPL LUBRICANTS”.



Name of Products	Description
<b>Lubricating Oils and Fluids.</b>	
Mineral & Synthetic Gear Oils	Premium quality industrial gear lubricant having excellent thermal and oxidation stability, good demulsibility, low foaming tendency and have good rust and corrosion protection to the gear. It is made up of high quality base stock [mineral & synthetic] with extreme pressure additive to give a tough adherent film.
Hydraulic Oils	Wide range of hydraulic oils formulated from premium quality base stocks and carefully selected additives to impart a superior anti-wear property excellent water separating characteristics, exceptional oxidation and thermal stability and high FZG ratings which enables efficient working in moderate to heavy loading conditions.
Compressor Oils (Synthetic & Mineral)	Compressor lubricants suitable for Reciprocating, Rotary, Screw and Sliding vane type compressors. These are manufactured from refined mineral oils and selective synthetic stocks along with specially designed additive packages to meet specific demands at severe service conditions and varied operating temperature ranges while providing effective lubrication.
Water Soluble Metal Working Fluids	Superlative range of premium water soluble metal working fluids in both mineral oil based as well as semi-synthetic types which form a homogeneous bio-stable emulsion ensuring excellent chip flushing and cooling required in light to heavy duty applications, formulated to suffice all the requirements of excellent surface finish, low foaming tendency, rust and corrosion prevention in different machining processes.
Neat Cutting Fluids	Neat cutting oils are based on highly refined base oils, fortified with effective

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	performance additives. These are suitable for medium to severe operations for both ferrous and non-ferrous metals.
Rust Preventives Fluids	Extensive range of Rust preventives providing Soft Waxy or Oily films, Permanent film, Dry film, Peel-able film, Acid Resistant, Dewatering and Work-in-process types favorable for short and long term rust prevention needs.
Quenchants	These are high quality fluids with high to medium cooling rates offering longer service life and desired hardness to the metal components. These are available in Oil & Polymer (Water) bases.
Thermic Fluids	Thermic fluids are made from premium refined base stocks having exceptional resistance to thermal degradation and chemical oxidation during high temperature use and provides extended oil life.
Vacuum Oils	Vacuum oils are unique, proprietary blend of hydro-finished base stocks with a high stability and IBP so as to avoid vaporization issues leading to vacuum pressure drops in vacuum pumps.
Turbine Oils	These are premium quality turbine oil formulated from superior quality hydro treated base stocks fortified with high performance additives. These have good thermal and oxidation stability property apart from this; it also has good demulsibility, antifoaming, anti-wear and good air release property.
Slideway Oils	These are formulated from premium quality base stocks providing optimal slide way performance over extended period of time. This product is fortified with superior quality additives enhanced with non-staining lubricant agents to provide excellent stick slip characteristics for smooth and chatter free performance. The incorporation of tackifiers keeps the fluid in place on both horizontal and vertical ways helps preventing misting and ensures smooth table operation even at low speed and at heavy work load.
Refrigeration Oils (Mineral & Synthetic)	Refrigeration oils are designed from mineral and synthetic base stocks fortified with premium quality additives to provide low pour point, low Freon floc point, good chemical stability and compatibility with refrigerants to ensure a deposit free performance with excellent wear protection which gives a longer service life.
Textile Oils	Textile Oils are specially formulated for the lubrication of moderate to high speed textile machinery so as to fulfil special needs of the multiple moving parts of the machinery with speciality additives providing anti-wear, anti-rust, non-corrosive properties along with EP and lubricity for the moving parts.
Lubricating oils for Elevator, Escalator and Car Parking Systems	We provide complete lubrication solutions for Elevators, Escalators and Car Parking Systems because insufficient lubrication cause vibration which in turn creates unpleasant noise that leads to downtime, interruption in service and increased maintenance cost.
<b>Greases</b>	
Multi-Purpose Lithium Greases	These are general purpose lithium based greases which are used for lubrication of bearings under low loads as well as machine parts for industrial and automotive applications. The use of this grease provides high oxidation stability, good water resistance, and remarkable structural stability, excellent anti-rust and anti-corrosion properties.
Complex Greases	These are superior quality greases with specialised additives and complexities than regular metal soaps thus possess higher drop points; alongside exhibiting properties that of regular greases, they also have high weld loads and shear stability. These are available in Lithium and Calcium forms.
Extreme Pressure Lithium Greases	These are lithium based extreme pressure grease for industrial and automotive uses. These greases provides high oxidation stability, excellent water resistance, and maximum structural stability, excellent anti-rust and anti-corrosion properties. This grease is suitable use under a wide range of temperature conditions – from sub – zero to reasonably high temperature.
Calcium Based Greases	These are multipurpose greases used for general lubrication at ambient temperatures and exhibiting excellent water resistance. They form a protective layer on the surface.
High Temperature Greases	These are based on inorganic clay thickener having good oxidation resistance and thermal stability for use in both plain and anti-friction bearings it can lubricate satisfactorily and will not melt or soften appreciably even at higher temperature.

**B) AUTOMOTIVE LUBRICANTS**

We market our automotive lubricant products under our registered brands “ARZOL”.



Name of Products	Description
Gallop 4t	These are premium quality synthetic 4-stroke engine oils specially developed for the demands of advanced high performance air cooled modern 4-stroke motorcycles. It is formulated with highly refined and high viscosity index base oils and performance proven additives to provide excellent protection to engine, gear box and wet clutches used in 4-stroke motorcycles.
Pace 4t	These are premium quality semi-synthetic 4-stroke engine oils designed to lower the maintenance cost with Hassle Free Technology and high friction modifiers. It provides smoother engine performance and gear shift ensuring high fuel economy.
Eco 4t	These are best-in-class economy grade 4-stroke engine oils designed with selective base stocks to meet the optimum requirements of motorcycles. They are customize to lower the maintenance cost with Hassle Free Technology and selective blended friction modifiers ensuring high fuel economy.
Milage Synactiv	This are premium quality engine oil formulated for use in modern high speed turbo charged or naturally aspirated diesel and some petrol engines. This product has been designed by using high performance additives and high quality base stocks to impart necessary properties of a lubricant to perform in heavy duty engines on highway or off the road highways.
Milage	This are premium quality engine oil formulated for use in modern high speed turbo charged or naturally aspirated diesel and some petrol engines. It protects engine from abrasive wear associated with high level of soot at longer oil drain intervals. Provides excellent soot handling capability, better film thickness resulting lesser abrasive wear and controls oil thickening.
Rage turbo	It is multi-grade engine oil which is formulated for the economy range of diesel and petrol engine to provide satisfactory performance during on and off-roads. It provides excellent protection against engine wear and deposit accumulation. The mid-ash, medium dispersant formulation provides very good overall performance in mixed fleets of different engine designs.
Loadmax	It is a high quality Diesel engine oil which ensures better cooling of engine under stop & go or over loaded conditions. It maintains power output by providing outstanding deposit control. Highly effective additive system reduces wear in engines under severe service by forming a protective layer on all metal contact surfaces.
Rage	It is multi-grade engine oil which is formulated for the economy range of diesel and petrol engine to provide satisfactory performance during on and off-roads. It resists soot related oil thickening arising in vehicles carrying heavy loads. It is made with unique dispersant technology with excellent base oil giving low top requirements.
Superstar	It is multi-grade engine oil which is formulated for the economy range of diesel and

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	petrol engine to provide satisfactory performance during on and off-roads. It resists soot related oil thickening arising in vehicles carrying heavy loads. Specially blended for old generation, indirect injection diesel engine powered vehicle where API CF is recommended. It is made with unique dispersant technology with excellent base oils giving low top requirements.
Go Gear EP Series	These form a range of extreme pressure automotive gear lubricants. This oil is blended from selected base stocks and contains additives to provide extreme pressure, anti-rust characteristic and also exhibit excellent anti wear properties. It is formulated with bit high dosage of EP additive to meet severe duty operation in heavily loaded gear systems, such as hypoid, spiral bevel, worm gears etc. Resists viscosity drop by maintaining firm film which is incorporated with extreme pressure additives. Because of its viscometrics, the product can be used in areas where temperature varies widely. It ensures excellent load carrying capacity
Automotive Transmission Fluids (ATF)	These are excellent quality transmission oils formulated from highly refined base stocks with in-built superior properties like high viscosity index, oxidation stability and performance additives to provide excellent corrosion and rust inhibition. These are formulated to meet the requirements of OEMs for the equipment specifications. The products are technically balanced for power take clutches and power shift transmissions.
Universal Tractor Transmission Oil (UTTO)	UTTO is a premium lubricant for advanced off road performance needed in today's agricultural/commercial tractors and heavy vehicles. It is specially designed as a common lubricant for transmissions, final drives, hydraulic systems and oil wet/immersed brakes for the optimization of performance of agricultural or commercial tractors.
Accel	It is premium quality multi grade engine oil specially developed for the demands of advanced high-performance air-cooled modern engines. It is formulated with highly refined and high viscosity index base oils and performance proven additives to provide excellent protection to engine. It exhibits excellent wear and corrosion inhibitor additives enhancing the engine and oil life. It provides better oxidation stability and sludge control resulting in longer drain period.
Eco CNG	These are premium quality multi grade engine oil specially developed for the demands of advanced high performance air cooled modern engines. . It is formulated from selected additives to provide superior oxidation and excellent detergency and dispersant. It is also enhanced with highly refined and high viscosity index base oils and performance proven additives to provide excellent protection to engine and ideally suited for light duty gasoline and CNG/LPG vehicles.
Synpro	These are premium quality fully synthetic multi-grade engine oil formulated for use in modern high speed turbo charged petrol and diesel engines. It has been designed for ultimate performance and protection under all operating condition and to fulfil the latest standard of leading engine manufacturers. It is formulated with high performance base oils combined with a precisely balanced component system for excellent all-round wear protection. Wide viscosity grade to help provide a flexible combination of high and low temperature protection.
Durazol	It is advanced performance semi-Synthetic engine oil designed to provide excellent cleaning, wear protection and specially formulated to address the unique needs of higher mileage engines. It gives you the confidence to demand maximum engine performance with tighter tolerances, requiring lower viscosity and stronger oils for longer oil drain intervals.
Cabz	Tailor made for cars operating in city as well as for highway operations. Stable viscosity at higher temperature increases engine life. It provides better oxidation stability and sludge control resulting in longer drain period. It is made unique dispersant technology with excellent base oils giving low top requirements.

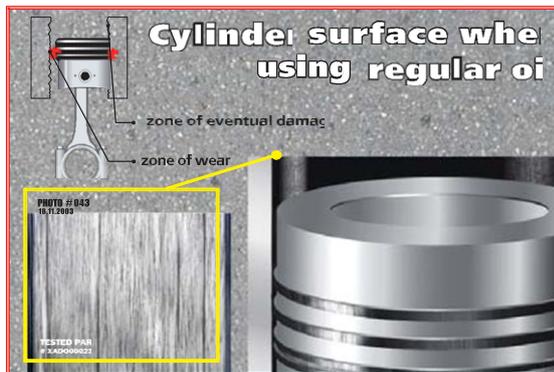
**PRODUCTS WITH XADO REVITALIZANT TECHNOLOGY**

In addition to the above mentioned lubricants our company has entered into an agreement with XADO group to enter into a Strategic partnership for manufacturing and marketing of products made with special additive technology called "Revitalizant" additives supplied by them. This XADO product is patented in the US. Thus we introduced a new series of Automotive Lubricants with Revitalizant Technology in the blends namely,

PROBUZ and REVERTO lubricants. This range was the first of its kind of lubricants in India. Our latest agreement with XADA Trading FZ LLC, the subsidiary company of Ukraine based XADO group, dated August 21, 2021 is valid upto August 31, 2022.

This technology is the science of rebuilding process. In an engine, a lot of destructive heat is generated. This excessive heat energy is used by the revitalizant to construct the protective layer. Thus a new coating is formed on top of the worn old surface. This coating known as “metal-o-ceramic coating” is harder than metal. In approx 1,500 km of running the revitalizant brings back the engine to almost its default level.

**Without Revitalizant**



**With Revitalizant**



We are currently manufacturing two product variants with XADO Revitalizant Technology namely:

- (1) **ARZOL PROBUZ** and (2) **ARZOL REVERTO**



- 1) **ARZOL PROBUZ** (Fully synthetic Multi grade engine oil)

**Performance Benefits:**

- Compression, power, and economy are always on a high level due to the patented formula of the XADO technology, which is contained in ARZOL PROBUZ oil.
- Universal in use; protects various engine parts in cars and trucks.
- Efficient for all season use for diesel engines, including those with the exhaust gas recirculation system (EGR).
- Due to the modern unique additives reliability of the engine operation increases, especially under extreme loadings.
- The product can run longer than drain interval mentioned by the OEM.
- Stable to oxidation and does not form sediments;
- It successfully resists the ash in oil and protects turbo assemblies.
- Due to synthetics, viscosity is maintained optimally under any working regime of the engine
- Especially resistant to oil decomposition, has stable viscosity properties of the new synthetic oil
- It can significantly prolong the engine life span of vehicles and ensure significant fuel savings.

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It is perfectly applicable for modern multi-valve gasoline, LPG, CNG and diesel engines with supercharging, including those with intermediate cooling as well as for Two wheelers.

### **2) ARZOL REVERTO (Mixed fleet engine oil for older vehicles)**

#### ***Performance Benefits:***

- Restores performance brings back life in the older engines.
- Restoring compression of engine
- Improves fuel efficiency (Restores)
- Saves fuel and money
- Lowers Breakdown
- Delayed overhaul
- Lowers engine oil top ups
- Improves pick up
- Reduced knocking
- Reduced harmful emissions.
- Extended Life of Engine

It can be used in your older Trucks, Tractors, earth movers, diesel and petrol, LPG, CNG cars, auto rickshaws, mini trucks etc. It is specially recommended for all 4 stroke bikes of Bajaj, TVS, Hero, Honda, Suzuki, Mahindra etc.

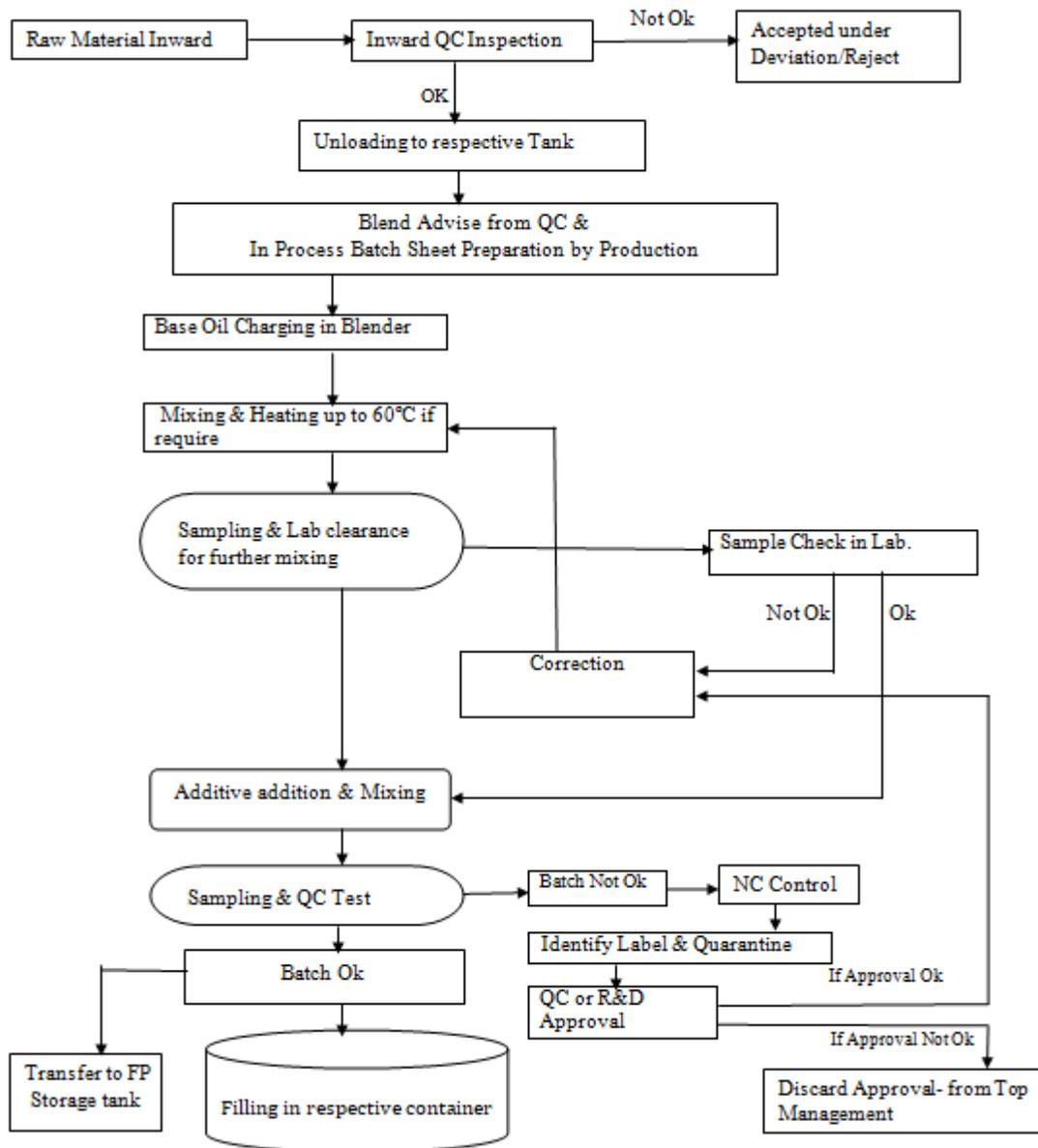
The Sales bifurcation of Automotive and Industrial Lubricants is as set below:

*(Rs. In Lakhs)*

<b>Category of Products</b>	<b>December 31, 2021</b>	<b>FY 20-21</b>	<b>FY 19-20</b>	<b>FY 18-19</b>
Automotive	6277.39	4651.84	3021.80	2106.96
Industrial	7699.36	6338.16	5365.93	5646.64
Other	38.50	8.70	4.67	3.89
<b>Grand Total</b>	<b>14015.25</b>	<b>10998.70</b>	<b>8392.40</b>	<b>7757.50</b>

### **Manufacturing Processes**

Our manufacturing facilities undertake the operations as per the process plans laid-out and the in-process quality inspection procedures are carried out as per the batch card. While the manufacturing of each product involves different processes, set forth below is a typical product lifecycle of manufacturing carried out by our Company:



- Upon the receipt of orders from our customers, these purchase orders are verified in terms of technical as well as commercial viability and then the order acceptance is provided by our Company.
- The next step involves preparation of manufacturing process plans
- Before starting the batch it is made sure that the blender is empty.
- The blender is checked, whether it is clean for required product.(If not, it is cleaned with appropriate base oil and drained properly)
- The blender's outlet valves are checked (Tank bottom valves & circulation valve) to ensure it is closed properly.
- Raw Material is taken into the blender.
- The valves are checked at each and every header in base oil pipeline.
- From the Batch Card of respective product, batch manufacturing process is started.
- Valves of base oil are opened to the blender and oil starts transferring from particular Storage tank in that blender.
- When required quantity of Raw material is taken in blender (As indicated in Load Cell) the oil transferring is stopped.
- Circulation to the blender is started thereafter (For example - for engine oil- 1 Hr & for other blends 40 min approx.)
- After proper mixing sample is given to lab for test.
- If sample is ok, additive addition is started with proper weighing.(As per mentioned in batch card).

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- Further heating and circulation if required is started in blender.
- After proper mixing of the blend, sample is given to Quality Control Dept. for testing.
- After getting approval from Quality Control Dept. the batch is transferred to Semi Finish Goods Tank (SFG) or Finish Goods Tank (FG).  
Proper labelling is done with name of Finish Product, Batch No & Date of Manufacturing is given to that SFG or FG Tank.

### **PLANT & MACHINERY**

#### **The major plant & machinery installed at our factories include:**

12 blending kettles, base oil storage tanks with aggregate capacity of approx. 2000 kl, finished product tanks with aggregate capacity of approx. 500 kl, platform type weighing scales of various capacity upto 500 kg, thermic fluid heater, air compressor, electric wire rope cage lift, chain pulley block, filling machine, capping machine, taping machine, strapping machine, auto labeling machine, inkjet printing machine, induction sealing machine, cooling tower, transformer, forklift and stackers, fire hydrant system, heat exchanger, portable fire extinguishers etc.

### **CAPACITY UTILIZATION**

<b>Particulars</b>	<b>Unit</b>	<b>FY 20-21</b>	<b>FY 19-20</b>	<b>FY 18-19</b>
Installed Capacity	KLPA	40,590	23,265	10,395
Actual Production	KLPA	15,519	11,860	10,204
<b>Capacity Utilisation</b>		<b>38.23%</b>	<b>50.98%</b>	<b>98.16%</b>

*Information relating to capacity utilization of our production facilities is based on certain assumptions and has been subjected to rounding off, and future production and capacity utilization may vary.*

### **COLLABORATIONS/ TIE UPS/ JOINT VENTURES**

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

### **EXPORT OBLIGATION**

Our Company had imported raw material, Base Mineral Oil (Industrial Grade) against Advance Authorization License No: 0311003115 dated April 12, 2021 issued by DGFT. In accordance with the said advance authorization license, we have an obligation to undertake export of products namely, Diesel Engine Oil, Engine Oil, Passenger Car Motor Oil, Transmission Fuel, Gear Oil, Brake Fluid, Hydraulic Oil, Thermic Fuel, Compressor Oil, Cutting Oil, Rust preventive Oil, Quenching Oil, Spindle Oil, Turbine Oil, Slideway Oil, Gas Engine Oil, Grease, Coolant for an aggregate value of Rs 702.78 lakhs by October 12, 2022. Our outstanding export obligation under the said Advance Authorization License is Rs 205.69 lakhs as on March 31, 2022

### **QUALITY CONTROL AND SERVICES**

Adherence to quality standards is a critical factor in our industry. Any defects or failure to comply with the specifications of our customers may lead to cancellation of the purchase order placed by our customers. We undertake checks at multiple stages, including upon receipt of raw material, work in progress products and on finished product, at our laboratories prior to it being packed to ensure that no defective products are delivered to our customers. Defective products, if any, are reprocessed to comply with customer requirements. Our internal systems are established to take corrective and preventive actions in the event of any non-adherence of our products to our quality standards.

### **HEALTH, SAFETY AND ENVIRONMENT**

We continually aim to comply with the applicable health and safety regulations and other requirements in our business operations. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our offices and manufacturing facilities, accident reporting, wearing safety equipment and maintaining clean and orderly work locations. Further, environmental requirements

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imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that our facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations.

### **LOGISTICS**

For supply of our lubricant products, we rely on third party transport services. Pursuant to the agreement/contract/work order with our logistics partner, tankers are made available for transportation of the lubricants from our manufacturing facilities to the customer and raw materials to our manufacturing facilities.

### **SALES, MARKETING AND DISTRIBUTION**

We sell our lubricant products directly and also by expanding our reach through an extensive domestic distribution network that consists, as on December 31, 2021 of around 400 dealers and distributors and 6 depots (all are Company operated depots). We engage with distributors across India to sell our products at pre-determined margins or on revenue sharing basis to end customers. Further, all our depots situated at Nagpur, Indore, Rajkot, Ludhiana, Gurgaon and Aurangabad are operated by the Company and acts as facilitation centers for sales and marketing of our lubricant products and maintains customer and distributor relationships. Our depot agreements with domestic C&F agents provide for storage, distribution and marketing of our products. The obligations under the depot agreement include maintaining the depots, storage and sale of our products. The depot agreements typically contain minimum sales target and restricted areas of distribution rights for such agents. Our depots undertake retail sales and also supply our products through our distributors. In addition, we typically seek security deposit or bank guarantee from our depot operated by C&F agents to secure performance of the depot agreements by such agents.

Our sales are divided in two verticals (i) Industrial Sales and (ii) Automotive Sales. We have a dedicated sales team which caters to each segment. Our Sales and Marketing team handles Business Development, all levels of Marketing and Relationship Management for all our products. This team additionally contributes information, ideas and research, to help develop marketing strategies, along with negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries.

They actively engage with key distributors to review sales figures and discuss concerns and expectations from them. Our distributors source lubricant products either directly from us or from our depots. They set marketing schedules and coordinate with colleagues, sponsors, media representatives, and other professionals to implement strategies across multiple channels. This team develops sales strategies and approaches for various products and services, such as special promotions, sponsored events, exhibitions like TechInd Expo 2016, IESS 2015, 2017, 2018, Krishi Darshan- Haryana March 2022, AIMA INDEX 2022 – Nashik and many more to showcase our product portfolio. They analyse trends, data, demographics, pricing strategies, and other information that can potentially improve marketing and sales performance.

#### ***Digital Marketing***

We are actively engaged into digital marketing where we promote our products & services on various social media platforms like, Instagram, Facebook, Linked In etc. It allows us to display our products & offers to a wide range of dealers & distributors. These platforms enables us to connect with our target audience to keep them posted with the new developments, Current job openings, Events & Exhibitions etc.

We often engage in marketing and promotional activities like trade schemes, give aways like stationary, Tshirts, caps, banners etc, branding, wall painting, mechanic meets etc to increase our sales volumes.

#### ***Government Tendering***

Additionally, we have been focusing on supplying our products to government entities including Indian Armed Forces which are undertaken through the tender process. The lowest bidder satisfying the technical criteria and based on all costs including logistics and after sales service is selected and accordingly the purchase order is issued to successful bidder. We have a dedicated team for tender bidding and procurement process. The customers may invite tenders through Gem portal or E-Procurement portals or through manual process for the products required. We have a dedicated team to cater to both online and offline tenders.

**COMPETITION**

We compete with several regional and local companies, as well as large multi-national companies. We believe the principal elements of competition in our industry are product features, design, quality, price, delivery, general customer experience, availability of after-sale and logistics support etc. We have over the years evolved a good mix of above elements and are able to cater to customer requirements with our Quality and solution oriented approach. Our ability to offer a wide range of products and customised solutions to our customers in meeting their varying requirements, differentiate us from our competition.

**INFRASTRUCTURE & UTILITIES**

**Raw Materials:** The principal raw materials used by us for manufacturing industrial and automotive lubricant products are base oil and additives. We import raw materials i.e. base oil primarily from Singapore and Middle East and from domestic suppliers like: Apar Industries Ltd, Hindustan Petroleum Corporation Ltd, Indian Oil Corporation Ltd, Bharat Petroleum Corporation Ltd., Shell India Markets Pvt Limited, etc., additives are procured locally from Indian Additives Ltd., Lanxess India Pvt. Ltd., distributors of BASF, DOW, Afton, Infineum etc.

**Power:** The requirement of power for our operations is met through Maharashtra State Electricity Distribution Co. Ltd We use diesel generators to meet exigencies to ensure that our facilities are operational during power failures.

**Water:** Water requirement for our factories is fulfilled through MIDC supplied water. Additional water requirement is arranged from local water tankers vendors.

**Manpower:** We believe that our employees are key contributors to our business success and thus we focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. As on March 31, 2022, our Company has employed 207 employees at various levels of the Organization including senior management and KMP. We also employ manpower on contractual basis as per our manufacturing requirements.

**INSURANCE**

Our operations are subject to accidents which are inherent to any manufacturing process such as risks of machinery/equipment failure, worker accidents, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions including accidents that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environment. We have insured our warehouses with Business Suraksha Classik for stock of lubricating oils situated at Aurangabad, Gurugram, Indore, Nagpur, Rajkot and Ludhiana, Trade Credit Insurance Policy, Future Generali Bharat Laghu Udyam Suraksha Policy for Fire Insurance of Building Plant & Machinery and Stock for both our factories, Group Medishield Insurance Policy, Long term Two Wheeler Insurance Policy, Motor Secure Insurance Policy, Marine Cargo Insurance, Public Liability Insurance, and Group Personal Accident Policy for our employees. For further details, please refer to Risk factor ***“Our insurance coverage may not be adequate to protect us against certain operating hazards and this may have a material adverse effect on our business”*** on page 21 of this Draft Prospectus.

**INTELLECTUAL PROPERTIES**

The details of trademarks used by our Company are:-

Sr No	Brand Name Logo/ Trademark	Class	Nature of Trademark	Owner	Application Number and Date	Valid Upto	Status
1	Trademark <sup>(1)</sup>	4	SPL LUBRICANTS 	Mr. Hemant Mehta	App. No. 1390514 Dated: October 11, 2005	October 11, 2025	Registered
2	Trademark <sup>(2)</sup>	4	Arzol	Mr. Manan	App. No.	January	Registered

**ARABIAN PETROLEUM LIMITED**

				Mehta	3152888 Dated January 07, 2016	07, 2026	
3	Trademark <sup>(2)</sup>	4		Mr. Manan Mehta	App. No. 4662921 Dated: September 18, 2020	September 18, 2030	Registered
4	Trademark <sup>(3)</sup>	4	Abzol	Mr. Manan Mehta	App. No. 3152887 Dated: 07/01/2016	January 07, 2026	Registered

<sup>(1)</sup>The said Trademark is registered in the name of our Promoter and Managing Director, Mr. Hemant Dalsukhrai Mehta and is used by company vide Memorandum of Understanding between Mr. Hemant Dalsukhrai Mehta and our company dated April 01, 2016.

<sup>(2)</sup>The said Trademark is registered in the name of our Promoter and Whole Time Director, Mr. Manan Hemant Mehta and is used by company vide Memorandum of Understanding between Mr. Manan Hemant Mehta and our company dated April 01, 2016.

<sup>(3)</sup>The said Trademark is registered in the name of our Promoter and Whole Time Director, Mr. Manan Hemant Mehta and is used by company vide NOC dated January 14, 2018 issued by Mr. Manan Hemant Mehta

**IMMOVABLE PROPERTIES**

Details of our immovable properties are as below:-

Sr. No	Details of the Property	Actual Use	Owned/ Leased	Details of Lessor/Licensor
1.	Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath, Thane – 421505, Maharashtra, India	Registered Office and Factory Unit - 1	Leased	MIDC has granted its consent and permission for transfer and assignment of the leasehold interest in respect of the said premises by its order dated January 04, 2013 and the Deed of Assignment dated March 19, 2013 was entered between M/s. Patel Retail Pvt. Ltd. and Arabian Petroleum Limited for Consideration of Rs. 81,00,000/- (Rupees Eighty one lakhs) to transfer and assign the lease hold interest in favour of our Company
2.	Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambernath (W), Distt- Thane-421505, Maharashtra, India	Factory Unit - 2	Leased	The said property is taken on lease vide Lease Agreement dated January 30, 2019 between Maharashtra Industrial Development Corporation and Arabian Petroleum Limited for consideration of Rs. 97,06,400/- (Rupees Ninety Seven Lakh Six Thousand Four hundred Only)
3.	Office No. 629, Avior Corporate Park Co-op. Soc. Ltd., CTS Number: 548A to G and 549, Road: Lal Bahadur Shastri Marg, Nirmal Galaxy, Mulund West, Mumbai-400080.	Corporate Office	Leave and License Agreement	The said premises is taken vide Leave and License Agreement between Mr. Sudhirkumar Gangaprasad Hajela and Arabian Petroleum limited dated July 29, 2021 at Mumbai for a period of 60 Months commencing from August 01, 2021 and ending on July 31, 2026.
4.	Office No. 630, Avior Corporate Park Co-op. Soc. Ltd., CTS Number: 548A to G and 549, Road: Lal Bahadur Shastri Marg, Nirmal Galaxy,			The said premises is taken vide Leave and License Agreement between Mr. Mr. Siddharth Sood and Arabian Petroleum limited dated July 29, 2021 at Mumbai for a period of 60 Months

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	Mulund West, Mumbai-400080.			commencing from July 28, 2021 and ending on July 27, 2026.
5.	Shop No. 2, Gut No. 46, Plot No. 101, Shed No. 2, Ghanegaon, Taluka Gangapur, Dist Aurangabad - 431136, Maharashtra	Depot	Rented	Carrying and Forwarding Agreement dated July 09, 2021 between Arabian Petroleum Ltd. and M/s. Ruby Corporation (acting as CFA) for a term of 1 year i.e. from July 09, 2021 to July 08, 2022
6.	Plot No. 127, Sheetla Mata Road, Sanjay Gram, Gurgaon – 122022, Haryana.	Depot	Rented	Agreement dated March 13, 2020 between Arabian Petroleum Ltd and M/s SD Enterprise for a term of 3 years i.e. from March 13, 2020 to March 12, 2023.
7.	274/3, Sajan Nagar, Behind Essar Pump, Nemaver Road, Indore-452001, Madhya Pradesh	Depot	Rented	Agreement dated April 29, 2022 between M/s. Arabian Petroleum Ltd and M/s. JJH Automobiles for a term of two year i.e. from January 7, 2021 to January 06, 2023.
8.	Plot No. 109, House No. 2747, Vakradanta Gruhnirman Society, Wadi, Nagpur-440023, Maharashtra.	Depot	Rented	Agreement dated April 29, 2022 between M/s. Arabian Petroleum limited and M/s. Shriram Automobiles for a term of 11 months i.e. from November 01, 2021 to September 30, 2022.
9.	B- XVIII – 373, Gill Street, Lajpat Rai Road, Jagraon, Ludhiana 142026, Punjab	Depot	Rented	Agreement dated August 10, 2021 between Arabian Petroleum Limited and M/s. Amar Singh Mam Chand for a period of 1 year i.e. from August 10, 2021 to August 09, 2022.
10.	Plot No. 246/2 Nr. V Trans Transport, beside LUBI PUMPS- Rajkot, Ruda Transport Nagar (Navagam-Anandpur)- 360003, Dist. Rajkot, Gujarat	Depot	Rented	Carrying and Forwarding Agreement dated November 16, 2021 between Arabian Petroleum Limited and M/s. Harshil Enterprise for a term of one year from November 16, 2021 to November 15, 2022.

**KEY INDUSTRY REGULATIONS AND POLICIES**

The following description is a summary of the key industry regulations and policies applicable to our Company. The information set below has been obtained from various legislations including rules and regulations promulgated by the regulatory bodies that are available in the public domain. The regulations set below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to be a substitute for professional legal advice.

Further, the statements below are based on the current provisions of Indian law and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Set forth below are certain significant legislations and regulations which generally govern the business and operations of our Company:

**Industry – specific Regulations and Policies:**

***Lubricating Oils & Greases (Processing, Supply, & distribution Regulation) Orders, 1987***

The Lubricating Oils & Greases Orders stipulates that no person shall carry on the business of processing, manufacturing, blending, compounding, packaging, refining, re- refining selling or transporting of any lubricating or grease which has been adulterated.

Any person desiring to carry on the business of a processor shall make an application to the competent authority in Form 1 to this act for the grant or renewal of a license.

***Drugs and Cosmetics Rules, 1945 (“DCA Rules”)***

The Drugs and Cosmetics Rules, 1940 are the rules which the government of India established through the Drugs and Cosmetics Act, 1940. The rules provides classification of drugs under given schedules and the guidelines for the storage, sale, display and prescription of each schedule

Further the Drugs and Cosmetics Act, 1940 is an act of the Parliament of India which regulates the import, manufacture and distribution of drugs in India. The primary objective of the act is to ensure that the drugs and cosmetics sold in India are safe, effective and conform to state quality standards. The related Drugs and Cosmetics Rules, 1945 contains provisions for classification of drugs under given schedules and there are guidelines for the storage, sale, display and prescription of each schedule.

***Industries (Development & Regulations) Act, 1951***

The Industries (Development and Regulation) Act, 1951, was enacted to provide for the development and regulation of certain industries, Section 2 of the said Act declares that it is expedient in the public interest that the Union should take under its control the industries specified in the First Schedule to the Act.

Under this Act The owner of every existing industrial undertaking, not being the Central Government, shall, within such period as may be specified is require to register the undertaking in the prescribed manner.

***Public liability insurance Act, 1991***

The Act provides for public liability insurance for the purpose of providing immediate relief to the persons affected by accident occurring while handling any hazardous substance and for matters connected therewith or incidental thereto. Under the law, companies must commit to installing and handling hazardous materials that have been reported under the Environmental Protection Act, 1986. It is basically a part of tort law, which focuses on the misconduct of civil law. The applicant (the injured party) usually sues the accused (owner or convict) according to general law due to negligence and/or damage. Claims are generally successful if it can be proven that the owner/occupant is responsible for the injury and therefore violating his maintenance obligations.

Once a due diligence violation has been identified, a lawsuit in a court may succeed. The court will provide financial compensation based on the applicant’s injury and loss. As the rate of such dangerous industries grow it is a threat not only to the employees or the workers but also the people near.

***Essential Commodities Act, 1955***

The Essential Commodities Act, 1955 (the “Essential Commodities Act”) provides for the regulations relating to production, supply, distribution, trade and commerce of the commodities that are declared as essential, for maintaining or increasing supplies of any essential commodity or for securing their equitable distribution and availability at fair prices.

Under the ECA, if the Central Government is of the opinion that it is necessary or expedient to (i) maintain or increase supply of any essential commodity (as defined under the ECA); (ii) secure their equitable distribution and availability at fair price; or (iii) for the defense of India or conduct of any military operation, it may *inter alia*, (a) regulate the production or manufacture; (b) control the price; (c) regulate the storage, transport, distribution, disposal, acquisition or use; (d) prohibit the withholding from sale; and (e) require any person holding stock to sell to the Central Government or State Government, in respect of such essential commodity.

The control orders issued under the ECA regulate essential commodities. Penalties under the ECA for contravention of its provisions include fine, imprisonment and forfeiture of the goods.

**TAXATION RELATED LAWS:**

***The Income-tax Act, 1961:***

The Income Tax Act, 1961 (“IT Act”) deals with the taxation of individuals, corporates, partnership firms and others. As per the provisions of this Act the rates at which they are required to pay tax is calculated on the income declared by them or assessed by the authorities, after availing the deductions and concessions accorded under the Act. The IT Act is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of this Act or Rules made there under depending upon its “Residential Status” and “Type of Income” involved. The IT Act provides for the taxation of persons resident in India on global income and persons not resident in India on income received, accruing or arising in India or deemed to have been received, accrued or arising in India.

***Professional Tax:***

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

***The Goods and Services Tax (“GST”):***

The GST is applicable on the supply of goods or services as against the present concept of tax on the Manufacture and sale of goods or provision of services. It is a destination-based consumption tax. It is dual GST with the Central and State Governments simultaneously levying it on a common tax base. The GST to be levied by the Centre on intra-State supply of goods and / or services is called the Central GST (CGST) and that to be levied by the States is called the State GST (SGST). An Integrated GST (IGST) is to be levied and collected by the Centre on inter-State supply of goods and services.

There were indirect taxes that were levied and collected by the Central and State Government which are now subsumed under GST. Some of the taxes which were applicable to the Company are as follows:

- Service Tax
- Value Added tax

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- The Central Sales Tax
- Excise duty

### **Corporate law:**

#### ***The Companies Act, 2013:***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. The Act prescribes regulatory mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. Regulation of the financial and management aspects constitutes the main focus of the Act. The Ministry of Corporate Affairs, has also issued rules complementary to the Companies Act, 2013 establishing the procedure to be followed by companies in order to comply with the substantive provisions of the Companies Act, 2013. In the functioning of the corporate sector, although freedom of companies is important, protection of the investors and shareholders, on whose funds they flourish, is equally important. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### ***The Micro, Small and Medium Enterprises Development Act, 2006:***

The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) inter – alia provides for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises and for matters connected therewith or incidental thereto. With the help of Udyog Adhaar, registration can be done under MSME (Ministry of Micro, Small and Medium Enterprises). Udyog Adhaar is the 12 numerical registration number issued by the MSME Ministry of the Government of India.

### **LABOUR AND EMPLOYEE RELATED LAWS:**

#### ***Maharashtra Shops and establishment Act, 2017***

The act introduces significant reforms for the employment conditions of the workers in the areas particularly related to the time of operation, overtime, holidays and leave, welfare, health and safety of the workers. In line with the Equal Remuneration Act, 1976, this act brings the provision of no discrimination for women workers in matters like recruitment, promotion, training or transfer. The act has introduced facilitators who have dual roles; the main function being advising the employers and the workers towards a better compliance of the act and the inspection of the Establishments. Also, instead of inspection at any reasonable time based on the discretion of the labour authorities, inspections are allocated randomly through online portal.

Every establishments employing 10 or more employees need to obtain the registration certificate (online) which will be valid for a lifetime. The Government has abolished the provisions for renewals which needed to be done from time to time. The firms employing less than 10 workers only need to intimate about the commencement of their shops/ establishments.

#### ***Factories Act, 1948:***

Factories Act, 1948 ("Factories Act") came into force on April 01, 1949 as amended by the Factories (Amendment) Act, 1987 and extends to the whole of India. Factories Act serves to assist in formulating national policies in India with respect to occupational safety and health in factories and docks in India. It deals with various problems concerning safety, health, efficiency and well-being of the persons at work places. The term 'factory', as defined under the Factories Act, means any premises which employs or has employed on any day in the preceding 12 (twelve) months, 10 (ten) or more workers and in which any manufacturing process is carried on with the aid of power, or any premises wherein 20 (twenty) or more workmen are employed at any day

during the preceding 12 (twelve) months and in which any manufacturing process is carried on without the aid of power, but this does not include a mine, or a mobile unit belonging to the armed forces of the union, a railway running shed or a hotel, restaurant or eating place.

***Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA”):***

CLRA has been enacted to regulate the employment of contract labour in certain establishments, the regulation of their conditions and terms of service and to provide for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 or more workmen are employed or were employed on any day of the preceding 12 months as contract labour. The CLRA vests the responsibility on the principal employer of an establishment to which the Act applies to make an application to the registered officer in the prescribed manner for registration of the establishment. In the absence of registration, a contract labour cannot be employed in the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and not to undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA 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.

***Employees’ Compensation Act, 1923, as amended (the “Employees’ Compensation Act”):***

The Employee’s Compensation Act, 1923 came into force on July 1, 1924. The act has been enacted with the objective to provide for the payment of compensation by certain classes of employers to their workmen or their survivors for industrial accidents and occupational diseases resulting in the death or disablement of such workmen. The Indian Parliament approved certain amendments to the Employee’s Compensation Act, 1923, as amended, to substitute, inter-alia, references to “workmen” with “employees” including in the name of the statute. The amendment came into force on January 18, 2010.

Under the Employees’ Compensation Act, if personal injury is caused to an employee by accident arising out of and in the course of employment, the employer would be liable to pay such employee compensation in accordance with the provisions of the Employees’ Compensation Act. However, no compensation is required to be paid (i) if the injury does not disable the employee for a period exceeding three days, (ii) where the employee, at the time of injury, was under the influence of drugs or alcohol, or (iii) where the employee wilfully disobeyed safety rules or wilfully removed or disregarded safety devices.

***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 also required to register itself under the ESI Act and maintain prescribed records and registers. Companies which are controlled by the Government are exempt from this requirement if employees receive benefits similar or superior to the benefits prescribed under the ESI Act.

***Employees Provident Fund and Miscellaneous Provisions Act, 1952:***

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 (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 Child Labour (Prohibition and Regulation) Act, 1986:***

The Child Labour (Prohibition & Regulation) Act, 1986, as amended from time to time (“Child Labour Act”) was enacted to prohibit the engagement of children below the age of 14 years in certain specified occupations and processes and to regulate their conditions of work in certain other employments.

***The Minimum Wages Act, 1948:***

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The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

### ***Payment of Bonus Act, 1965:***

A bonus payment is usually made to employees in addition to their base salary as part of their wages or salary. Pursuant to the Payment of Bonus Act, 1965, as amended (the "Bonus Act"), an employee in a factory or in any establishment where twenty or more persons are employed on any day during an accounting year, who has worked for at least 30 working days in a year is eligible to be paid a bonus.

### ***The Industrial Disputes Act, 1947 and Industrial Dispute (Central) Rules, 1957:***

Industrial Dispute Act, 1947 and the Rules made thereunder provide for the investigation and settlement of industrial disputes. The Industrial Disputes Act, 1947 (IDA) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the ID Act have been provided with several benefits and are protected under various labour legislations, whilst those persons who have been classified as managerial employees and earning salary beyond a prescribed amount may not generally be afforded statutory benefits or protection, except in certain cases. The Industrial Dispute (Central) Rules, 1957 specify procedural guidelines for lock-outs, closures, lay-offs and retrenchment.

### ***Payment of Gratuity Act, 1972:***

The Payment of Gratuity Act is applicable to every factory, mine, oilfield, plantation, port, railway companies and to every shop and establishment in which 10 or more persons are employed or were employed at any time during the preceding twelve months. This Act applies to all employees irrespective of their salary.

The Payment of Gratuity Act, as amended, provides for a scheme for payment of gratuity to an employee on the termination of his employment after he has rendered continuous service for not less than 5 years:

- (a) On his/her superannuation;
  - (b) On his/her retirement or resignation;
  - (c) On his/her death or disablement due to accident or disease
- (In this case the minimum requirement of five years does not apply)

### ***The Equal Remuneration Act, 1976:***

Equal Remuneration Act, 1976 was enacted with the aim of state to provide Equal Pay and Equal Work as envisaged under Article 39 of the Constitution. The Equal Remuneration Act, 1976 aims to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. According to the Act, the term 'remuneration' means "the basic wage or salary and any additional emoluments whatsoever payable, either in cash or in kind, to a person employed in respect of employment or work done in such employment, if the terms of the contract of employment, express or implied, were fulfilled."

### ***The Maternity Benefit Act, 1961:***

The purpose of Maternity Act 1961 is to regulate the employment of pregnant women and to ensure that they get paid leave for a specified period during and after their pregnancy. It provides inter-alia for payment of maternity benefits, medical bonus and enacts prohibition on dismissal, reduction of wages paid to pregnant women etc. Our Government further amended the Act which is known as 'The Maternity Benefit (Amendment) Act, 2017', effective from March 27, 2017 introducing more benefits for pregnant women in certain establishments.

### ***The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWWA"):***

The SHWWA is a legislative act in India that seeks to protect women from sexual harassment at their place of work. The SHWWA has been introduced in 2013 to provide a safe, secure and enabling environment, free from

## **ARABIAN PETROLEUM LIMITED**

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sexual harassment to every woman. Every employer is legally required to comply with the statutory requirements as mentioned in the Act.

### **ENVIRONMENTAL LAWS:**

#### ***The Environment (Protection) Act, 1986:***

The Environment (Protection) Act, 1986 was enacted as a general legislation to safeguard the environment from all sources of pollution by enabling coordination of the activities of the various regulatory agencies concerned. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant in excess of such standards as may be prescribed.

#### ***The Water (Prevention and Control of pollution) Act, 1981:***

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, who 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 (Prevention and Control of Pollution) Act, 1981 (“Air Act”) has been enacted to provide 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. 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, Handling and Trans boundary Movement) Rules, 2016:***

Hazardous and Other Wastes (Management, Handling and Trans boundary Movement) Rules, 2016 came into force from April 04, 2016 superseding the Hazardous Wastes (Management, Handling and Trans boundary Movement) Rules, 2008.

Hazardous waste means any waste, which by reason of characteristics, such as physical, chemical, biological, reactive, toxic, flammable, explosive or corrosive, causes danger to health, or environment. It comprises the waste generated during the manufacturing processes of the commercial products such as industries involved in petroleum refining, production of pharmaceuticals, petroleum, paint, aluminum, electronic products etc. Hazardous Waste Management Rules are notified to ensure safe handling, generation, processing, treatment, package, storage, transportation, use reprocessing, collection, conversion, and offering for sale, destruction and disposal of Hazardous Waste.

### **INTELLECTUAL PROPERTY RELATED LAWS:**

#### ***The Trademarks Act, 1999:***

The Indian Law on trademarks is enshrined in the Trade Marks Act, 1999 (the “TM Act”). Under the existing Legislation, a trademark is a mark used in relation to goods so as to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. The TM Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement for commercial purposes as a trade description. The TM Act prohibits any registration of deceptively similar trademarks or chemical compounds among others. The right to use the mark can be exercised either by the registered proprietor or a registered user. The present term of registration of a trademark is ten years, which may be renewed for similar periods on payment of prescribed renewal fee.

**STATUTORY AND COMMERCIAL LAWS:**

***The Indian Contract Act, 1872:***

The Indian Contract Act occupies the most important place in the Commercial Law. Without contract Act, it would have been difficult to carry on trade or any other business activity and in employment law. It is not only the business community which is concerned with the Contract Act, but it affects everybody. The objective of the Contract Act is to ensure that the rights and obligations arising out of a contract are honoured and that legal remedies are made available to those who are affected.

***Competition Act, 2002:***

The Competition Act, 2002 aims to anti-competitive practices that cause or are likely to cause an appreciable adverse effect on competition in the relevant market in India. The act deals with prohibition of agreements and Anti-competitive agreements. No enterprise or group shall abuse its dominant position in various circumstances as mentioned under the Act. The prima facie duty of the Competition Commission established under the Act is to eliminate practices having adverse effect on competition, promote and sustain competition, protect interest of consumer and ensure freedom of trade.

***The Information Technology Act, 2000:***

The Information Technology Act, 2000 was notified on October 17, 2000. It is the law that deals with cybercrime and electronic commerce in India. The Information Technology Act, 2000 provides legal recognition to the transaction done via an electronic exchange of data and other electronic means of communication or electronic commerce transactions.

***Negotiable Instrument Act, 1881:***

Negotiable Instruments Act was enacted to legalize the system by which instruments contemplated by it could pass from hand to hand by negotiation like any other goods. The purpose of the act was to present an orderly and authoritative statement of leading rules of law relating to the negotiable instruments. To achieve the objective of the Act, the legislature thought it proper to make provision in the Act for conferring certain privileges to the mercantile instruments contemplated under it and provide special procedure in case the obligation under the instrument was not discharged

***The Specific Relief Act, 1963:***

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

***Limitation Act, 1963:***

The law relating to Law of Limitation to India is the Limitation Act, 1859 and subsequently Limitation Act, 1963 which was enacted on 5th of October, 1963 and which came into force from 1st of January, 1964 for the purpose of consolidating and amending the legal principles relating to limitation of suits and other legal proceedings. The basic concept of limitation is relating to fixing or prescribing of the time period for barring legal actions. According to Section 2 (j) of the Limitation Act, 1963, 'period of limitation' means the period of limitation prescribed for any suit, appeal or application by the Schedule, and 'prescribed period' means the period of limitation computed in accordance with the provisions of this Act.

***The Registration Act, 1908:***

Registration Act was introduced to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to

perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. Registration lends inviolability and importance to certain classes of documents.

In addition to regulations mention above, our Company may also require to comply with the provisions other applicable statutes imposed by the Central or the State for its day-to-day operations.

***The Transfer of Property Act, 1882:***

The Transfer of Property Act, 1882 (hereinafter referred to as the ‘T P Act, 1882’) was intended to define and amend the existing laws and not to introduce any new principle. It applies only to voluntary transfers. The Act provides a clear, systematic and uniform law for the transfer of immovable property. Transfer of property means an act by which a person conveys the property to one or more persons, or himself and one or more other persons. The act of transfer may be done in the present or for the future. The person may include an individual, company or association or body of individuals, and any kind of property may be transferred, including the transfer of immovable property.

***Consumer Protection Act, 1986:***

The Consumer Protection Act, 1986 seeks to provide better protection of interests of the consumers and for that purpose to make provision for establishment of consumer councils and other authorities for the settlement of consumer’s disputes and for matters connected therewith. It seeks to promote and protect the rights of consumers. To provide steady and simple redressal to consumers ‘disputes, quasi-judicial machinery is sought to be set up at the district, state and central levels. The quasi-judicial bodies will observe the principles of natural justices and have been empowered to give relieves of a specific nature and to award wherever appropriate compensation to consumers. Penalties for non-compliance of the orders given by the quasi-judicial bodies have also been provided.

***Legal Metrology Act, 2009:***

“Legal Metrology” means that part of metrology which treats units of weighment and measurement, methods of weighment and measurement and weighing and measuring instruments, in relation to the mandatory technical and legal requirements which have the object of ensuring public guarantee from the point of view of security and accuracy of the weighments and measurements. It is an Act to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

***Indian Evidence Act, 1872:***

The Indian Evidence Act, 1872 applies to all judicial proceedings in or before any Court including Courts Martial, but not to Affidavits presented to any Court or Officer, nor to proceedings before an Arbitrator. Evidence excluded by the Act will be inadmissible even if essential to ascertain the truth. The Act stipulates that evidence in a court must be given of facts in issue and relevant facts alone.

***The Sale of Goods Act, 1930:***

The contract of the sale of goods is governed by The Sale of Goods Act, 1930. A contract for the sale of goods has certain unusual features such as transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for the sale of goods, etc. The Act deals with the subject-matter of movable property. This Act does not deal with the sale of immovable property. The transaction relating to immovable properties, e.g., the sale, lease, gifts, etc., are governed by a separate Act known as the Transfer of Property Act, 1882. All essential elements of a valid contract must be present in the contract of the sale.

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

***The Indian Stamp Act, 1899:***

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty must be paid on all instruments

## **ARABIAN PETROLEUM LIMITED**

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specified under the Stamp Act at the rates specified in the schedules to the Stamp Act. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state.

### ***Arbitration and Conciliation Act, 1996***

The act was enacted with the objective of “to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of the foreign award, and also to define the law relating to the conciliation”.

The Arbitration and Conciliation Act, 1996 aims at streamlining the process of arbitration and facilitating conciliation in business matters. The Act recognizes the autonomy of parties in the conduct of arbitral proceedings by the arbitral tribunal and abolishes the scope of judicial review of the award and minimizes the supervisory role of Courts. The autonomy of the arbitral tribunal has further been strengthened by empowering them to decide on jurisdiction and to consider objections regarding the existence or validity of the arbitration agreement.

### **FOREIGN REGULATIONS:**

#### ***The Foreign Trade (Development and Regulation) Act, 1992 (“FTA”):***

In India, the main legislation concerning foreign trade is FTA. The FTA read along with relevant rules provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. FTA read with the Indian Foreign Trade Policy provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

#### ***Foreign Exchange Management Act, 1999:***

Foreign investment in India is primarily governed by the provisions of FEMA and the rules and regulations promulgated there under. Foreign Exchange Management Act, 1999 (“FEMA”) was enacted to consolidate and amend the law relating to foreign exchange with the objective of facilitating external trade and for promoting the orderly development and maintenance of foreign exchange market in India. FEMA extends to whole of India. This Act also applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention committed thereunder outside India by any person to whom the Act is applies. The Act has assigned an important role to the Reserve Bank of India (RBI) in the administration of FEMA.

#### ***FEMA Regulations:***

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

**HISTORY AND CERTAIN CORPORATE MATTERS**

**BRIEF HISTORY AND BACKGROUND**

Our Company was originally incorporated as “Arabian Petroleum Private Limited” under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2009, bearing registration No. 191109 issued by Registrar of Companies, Maharashtra, Mumbai and CIN No. U23200MH2009PTC191109. Subsequently our Company was converted into a public limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on November 11, 2011 and the name of our Company was changed from “Arabian Petroleum Private Limited” to “Arabian Petroleum Limited” vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated December 16, 2011 by the Registrar of Companies, Maharashtra, Mumbai bearing Corporate Identification Number U23200MH2009PLC191109.

Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta were the initial subscribers to the Memorandum of Association of our Company.

For information on our Company’s profile, activities, products, market, growth, technology, managerial competence, standing with reference to prominent competitors, major clients, please refer the sections titled “*Our Business*”, “*Industry Overview*”, “*Our Management*”, “*Financial information of the Company*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 95, 85, 124, 144 and 192 respectively of this Draft Prospectus.

**ADDRESS**

<b>Registered Office and Factory- 1</b>	Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath Thane - 421505, Maharashtra, India.
<b>Factory- 2</b>	Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambernath (W), Distt- Thane-421505, Maharashtra, India
<b>Corporate Office</b>	Office No. 629/630, Avior Corporate Park, Co-op. Soc. Ltd., CTS Number: 548A to G and 549, Road: Lal Bahadur Shastri Marg, Nirmal Galaxy, Mulund West, Mumbai- 400080, Maharashtra, India.

**CHANGES IN REGISTERED OFFICE OF THE COMPANY SINCE INCORPORATION**

Except as stated below, there has not been any change in our Registered Office since inception of the Company till the date of the Draft Prospectus.

<b>Effective Date</b>	<b>From</b>	<b>To</b>	<b>Reason for Change</b>
August 16, 2016	A/2, Tara Towers, S. N. Road, Mulund (W) Mumbai, Maharashtra-400080, India	Plot 14-B, Morivali M.I.D.C., OPP. Positive Packaging, Ambernath (W), Ambernath, Thane, Maharashtra, India, 421505	For Operational reasons

**OUR MAIN OBJECTS**

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

1. To carry on the business in India or elsewhere of manufacturer, trader, dealer, distributor, importer and exporter in all types of Lubricating oil, Petroleum products and allied items.

**CHANGES IN MEMORANDUM OF ASSOCIATION**

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

## ***ARABIAN PETROLEUM LIMITED***

<b>Date of Meeting</b>	<b>Type of Meeting</b>	<b>Amendments</b>
December 15, 2009	EGM	Increase in authorized share capital from from Rs 5,00,000/- (Rupees Five Lacs Only) to Rs 50,00,000/- (Rupees Fifty Lacs Only) divided into 50,000 (Fifty Thousand) equity shares of Rs 100/- (Rupees One Hundred only).
November 11, 2011	EGM	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Arabian Petroleum Private Limited to Arabian Petroleum Limited and a fresh Certificate of Incorporation dated December 16, 2011 bearing CIN U23200MH2009PLC191109 was issued by Registrar of Companies, Maharashtra, Mumbai.
May 15, 2013	EGM	Increase in authorized share capital from Rs. 50,00,000 (Fifty Lakhs) divided into 50,000 (Fifty Thousand) Equity shares of Rs. 100 each to Rs. 2,00,00,000 (Two Crore) divided into 2,00,000 (Two Lakhs) Equity shares of Rs. 100 each
November 15, 2021	EGM	Sub-division of Face value of Equity Shares of the Company from 2,00,000 Equity Shares of 100/- per Equity Share to 20,00,000 Equity shares of 10/- per Equity Share
November 15, 2021	EGM	Adoption of MOA as per Companies Act, 2013
January 05, 2022	EGM	Increase in authorized share capital from Rs. 2,00,00,000 (Two Crore) divided into 20,00,000 (Twenty Lakh) Equity shares of Rs. 10 each to 11,00,00,000 (Eleven Crore) divided into 1,10,00,000 (One Crore Ten Lakh)

### **ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY AND ALTERATION THEREOF**

Our Company has adopted a new set of Articles of Association of the Company in accordance with applicable provisions of the Companies Act 2013 in the Extra-Ordinary General Meeting of the Company dated November 15, 2021.

### **KEY EVENTS AND MILESTONES**

The Table below sets forth some of the major events in the history of our company:

<b>Year</b>	<b>Key Events / Milestone / Achievements</b>
2009	Incorporation of the Company in the name of “Arabian Petroleum Private Limited”
2011	Conversion of our Company from Private Limited to Public Limited Company
2015	Takeover of the business of proprietorship firm Arabian Petroleum vide Business Takeover Agreement dated December 25, 2015.
2015	Started its own manufacturing activities at Ambernath with 10 Blenders/Reactors
2018	Opened our first depot in Nagpur
2019	Expanded to new geographies with opening of first depot in Northern region at Gurugram and another Depot at Indore
2019	Set up of new Factory Unit 2 pursuant to acquisition of adjoining factory land at Ambernath with 2 more Blenders/Reactors
2021	Opened more Depots at Ludhiana, Rajkot and Aurangabad
2021	Sales turnover reached Rs. 100 Cr.
2021	Received Certificate of Recognition as One Star Export House
2021	Received First OEM approval from Volvo Group Trucks Technology
2021	Received Approval from American Petroleum Institute (API) for Automotive Products

### **OTHER DETAILS ABOUT OUR COMPANY**

For details of our Company’s activities, growth, marketing strategy, competition and our customers, please refer section titled “*Our Business*”, “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis for Issue Price*” on pages 95, 192 and 78 respectively of this Draft Prospectus. For

## **ARABIAN PETROLEUM LIMITED**

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details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page 124 and 53 of the Draft Prospectus respectively.

### **CAPITAL RAISING (DEBT / EQUITY)**

For details in relation to our capital raising activities through equity, please refer to the chapter titled “*Capital Structure*” beginning on page 53 of the Draft Prospectus.

For a description of our Company’s debt facilities, see “*Statement of Financial Indebtedness*” on page 186 of the Draft Prospectus.

### **CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS**

There has not been any change in the activity of our Company during the last five (5) years preceding the date of this Draft Prospectus.

### **HOLDING COMPANY**

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

### **SUBSIDIARY OF OUR COMPANY**

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

### **ASSOCIATE COMPANY**

As on the date of this Draft Prospectus, our Company does not have any Associate Company.

### **INJUNCTION OR RESTRAINING ORDER**

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

### **DETAILS REGARDING ACQUISITION OF BUSINESS/ UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS ETC.**

Our Company took over the manufacturing and trading business of Industrial & Automotive Lubricants from the proprietorship firm “Arabian Petroleum” run by its proprietor Hemant D Mehta HUF vide Business Takeover agreement dated December 25, 2015, in the manner that all the Know- how, goodwill, clients of the proprietorship firm were transferred to the company and the company set up its own manufacturing facility at a plant in Ambernath.

### **NUMBER OF SHAREHOLDERS OF OUR COMPANY:**

Our Company has Seven (7) equity shareholders as on the date of this Draft Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 53 of the Draft Prospectus.

### **CHANGES IN THE MANAGEMENT**

For details of change in Management, please see chapter titled “*Our Management*” on page 124 of the Draft Prospectus.

### **SHAREHOLDERS AGREEMENTS**

There are no subsisting shareholder’s agreements among our shareholders in relation to our Company, to which our Company is a party or otherwise has notice of the same as on the date of the Draft Prospectus.

## **COLLABORATION AGREEMENTS**

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

## **MATERIAL AGREEMENT**

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

## **STRATEGIC OR FINANCIAL PARTNERS**

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

## **TIME AND COST OVERRUNS**

There has been no time / cost overruns by our Company.

## **DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS**

There have been no defaults that have been called by any financial institution or bank in relation to borrowings availed by our Company from any financial institutions or banks. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements between March 01, 2020 and August 31, 2020. Pursuant to such measures, Our Company availed a moratorium of Rs 6.12 lakhs from the month of April 2020 to May 2020 for its Term Loan availed from Kotak Mahindra Bank Limited. For further details, please refer section titled "**Risk Factors**" on page 21

## **OTHER AGREEMENTS**

### **NON COMPETE AGREEMENT**

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

### **JOINT VENTURE AGREEMENT**

Our Company has not entered into any Joint Venture Agreement as on the date of filing of this Draft Prospectus.

**OUR MANAGEMENT****Board of Directors**

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

<b>Name, Father's Name, Age, Date of Birth, Designation, Address, Experience, Occupation, Qualification, Nationality &amp; DIN</b>	<b>Date &amp; term of Appointment</b>	<b>No. of Equity Shares held &amp; % of Shareholding (Pre-Issue)</b>	<b>Other Directorships</b>
<b>Mr. Hemant Dalsukhrai Mehta</b> <b>Father Name:</b> Mr. Dalsukhrai Mehta <b>Age:</b> 63 years <b>Date of Birth:</b> December 29, 1958 <b>Designation:</b> Chairman and Managing Director <b>Address:</b> Near Shanti Industrial Estate A-2, 4 <sup>th</sup> Floor, Tara Tower, S.N. Road, Mulund West, Mumbai- 400080, Maharashtra. <b>Experience:</b> 41 years <b>Occupation:</b> Business <b>Qualifications:</b> Bachelor of Commerce <b>Nationality:</b> Indian <b>DIN:</b> 02507616	Originally appointed as Non- Executive Director w.e.f. March 20, 2009  Further Re-designated as Director w.e.f. February 26, 2020  Further Re- designated as Chairman and Managing Director w.e.f. April 06, 2022  <i>(Not liable to retire by rotation)</i>	21,71,200 Equity Shares [27.14%]	Nil
<b>Mrs. Darshana Hemant Mehta</b> <b>Father Name:</b> Mr. Surendra Harakhchand Sanghvi <b>Age:</b> 55 years <b>Date of Birth:</b> August 06, 1966 <b>Designation:</b> Non- Executive Director <b>Address:</b> Near Tambe Nagar A-2, Tara Tower, 4 <sup>th</sup> Floor, Room No. 406, S.N. Road, Mumbai, Mulund West-400080, Maharashtra. <b>Experience:</b> 16 years <b>Occupation:</b> Business <b>Qualifications:</b> Master of Science in Physics <b>Nationality:</b> Indian <b>DIN:</b> 02507587	Originally appointed as Non- Executive Director w.e.f. March 20, 2009  Further Re-designated as Director w.e.f. February 26, 2020  Further Re-designated as Non- Executive Director w.e.f. April 06, 2022  <i>(liable to retire by rotation)</i>	30,11,440 Equity Shares [37.64%]	Nil
<b>Mr. Manan Hemant Mehta</b> <b>Father Name:</b> Mr. Hemant	Originally appointed as Non- Executive Director w.e.f.	25,17,360 Equity Shares [31.47%]	Nil

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<p>Dalsukhrai Mehta  <b>Age:</b> 32 years  <b>Date of Birth:</b> December 18, 1989  <b>Designation:</b> Whole Time Director  <b>Address:</b> Near Tambe Nagar A-2, Tara Tower, 4<sup>th</sup> Floor, S.N. Road, Mulund West, Mumbai- 400080, Maharashtra.  <b>Experience:</b> 9 years  <b>Occupation:</b> Business  <b>Qualifications:</b> Bachelor of Technology in Chemical Engineering, Master of Business Administration in Technology Management  <b>Nationality:</b> Indian  <b>DIN:</b> 05124747</p>	<p>November 10, 2011   Further Re-designated as Director w.e.f November 17, 2011   Further Re- designated as Whole Time Director w.e.f. April 06, 2022   <i>(liable to retire by rotation)</i></p>		
<p><b>Mr. Dharman Manoj Mehta</b>  <b>Father Name:</b> Manoj Dalsukhrai Mehta  <b>Age:</b> 31 Years  <b>Date of Birth:</b> October 24, 1990  <b>Designation:</b> Whole time Director and CFO  <b>Address:</b> Near Tambe Nagar, S.N. Road A/2, Tara Towers, Flat No. 305,4<sup>th</sup> Floor, Mulund West S.O. Mumbai, Maharashtra-400080  <b>Experience:</b> 7 Years  <b>Occupation:</b> Business  <b>Qualifications:</b> Chartered Accountant  <b>Nationality:</b> Indian  <b>DIN:</b> 07821311</p>	<p>Originally Appointed as Director w.e.f. April 15, 2017   Further, Re-Designated as Whole time Director and CFO w.e.f. April 06, 2022   <i>(liable to retire by rotation)</i></p>	<p>1,40,000  Equity Shares  [1.75%]</p>	<p>Nil</p>
<p><b>Mr. Milan Mohanlal Paleja</b>  <b>Father Name:</b> Mohanlal Khimji Paleja  <b>Age:</b> 58 Years  <b>Date of Birth:</b> January 30, 1964  <b>Designation:</b> Additional Director- Independent Director  <b>Address:</b> Unit 1707, JL Prof Satrio, Ascott Service Apartment, Ciputra World, Jakarta, Singapore  <b>Experience:</b> 38 Years  <b>Occupation:</b> Professional  <b>Qualifications:</b> ICWAI and B.Com.</p>	<p>Originally Appointed as Additional Director in the capacity of Independent Director w.e.f. April 30, 2022   <i>(Not liable to retire by rotation)</i></p>	<p>Nil</p>	<p><b>Companies:</b>  1. Wellesta Healthcare Private Limited</p>

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<b>Nationality:</b> Singaporean <b>DIN:</b> 08127535			
<b>Mr. Dinesh Babulal Panchal</b> <b>Father Name:</b> Babulal Virchand Panchal <b>Age:</b> 46 Years <b>Date of Birth:</b> July 29, 1975 <b>Designation:</b> Additional Director- Independent Director <b>Address:</b> E/704, Sai Radha Complex, Near Asian Paints, L.B.S Marg, Bhandup West, Mumbai-400078 <b>Experience:</b> 24 Years <b>Occupation:</b> Professional <b>Qualifications:</b> Bachelor of Engineering, Ph.d in Analysis of Business Model Types from Narsee Monjee Institute of Management Studies and Masters of Management <b>Nationality:</b> Indian <b>DIN:</b> 05328794	Originally Appointed as Additional Director in the capacity of Independent Director w.e.f. April 30, 2022  <i>(Not liable to retire by rotation)</i>	Nil	Nil

**Brief Profile of Directors:**

**Mr. Hemant Dalsukhrai Mehta**, aged 63 Years is the Chairman and Managing Director of our company. He has completed his B.Com. from University of Bombay in the year 1980. He has an overall experience of 41 years in trading activities and is into the business of trading and manufacturing of lubricants for the last 15 years. He is currently involved in overall business operations of the Company. Primarily he looks after the manufacturing operations and is involved in planning, production and purchase activities of the company. Under his leadership, our company has been successful in expanding its diversified product portfolio.

**Mrs. Darshana Hemant Mehta**, aged 55 years is the Non- Executive director of our company. She has completed her Master of Science in Physics from University of Bombay in the year 1989. She has an overall experience of 16 years in administrative and marketing operations of the company.

**Mr. Manan Hemant Mehta**, aged 32 Years is the Whole time Director of our company. He holds a degree of B. Tech. in Chemical Engineering and Master of Business Administration in Technology Management from Narsee Monjee Institute of Management Studies. He has an overall experience of 9 years in manufacturing and trading of lubricants. He is currently involved in sales and marketing and quality control operations of the company. Under his leadership, our company has been successful in expanding its customer base.

**Mr. Dharman Manoj Mehta**, aged 31 Years is the Whole time Director and CFO of our company. He is a Chartered Accountant and has worked as an associate for 2 years in Price Waterhouse Coopers, Mumbai. Thereafter he has been associated with our company since 2017 and looks after sales and marketing and finance operations of the company.

**Mr. Milan Mohanlal Paleja** is appointed Additional Independent Director of our Company on April 30, 2022. He has completed his ICWAI and BCom in the year 1984. He started his career in 1984 in various finance roles in Novartis group and was associated with the Novartis group for 35 years. Lately from May 2018 to May 2019 he was appointed the MD of Novartis India Limited. Thereafter in the year 2019, he founded Wellesta Holdings Pte Limited based at Singapore.

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**Mr. Dinesh Babulal Panchal** is appointed Additional Independent Director of our Company on April 30, 2022. He holds degree of Bachelor of Engineering from Mumbai University passed in the year 1998. He has completed Master of Management in Operations in the year 2005 from Indian Institute of Technology, Bombay and has completed Ph.D on “Management Studies” from Narsee Monjee Institute of Management Studies in the year, 2021. He has an overall experience of 24 years. He started his career in 1998 with Larsen & Toubro Limited as Assistant Manager in Heavy Engineering Division for around 7 years. Thereafter he was associated with Abeinsa Engineering Private Limited for around 9 years, after which he served as Assistant Professor in SVKM’s NMIMS for 4 years and currently he is heading Navrachna University.

None of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE, during the term of their directorship in such company.

None of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the tenure of their directorship in such company.

### **Family relationship between our Directors**

<b>Sr No</b>	<b>Name of Director</b>	<b>Nature of Relationship</b>
1.	Mr. Hemant Dalsukhrai Mehta	Husband of Mrs. Darshana Hemant Mehta Father of Mr. Manan Hemant Mehta Uncle of Mr. Dharman Manoj Mehta
2.	Mrs. Darshana Hemant Mehta	Wife of Mr. Hemant Dalsukhrai Mehta Mother of Mr. Manan Hemant Mehta Aunt of Mr. Dharman Manoj Mehta
3.	Mr. Manan Hemant Mehta	Son of Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta Cousin of Mr. Dharman Manoj Mehta
4.	Mr. Dharman Manoj Mehta	Nephew of Hemant Dalsukhrai Mehta Nephew in law of Hemant Dalsukhrai Mehta Cousin of Mr. Manan Hemant Mehta

### **Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

### **Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

### **Details of Borrowing Powers of Directors**

Our Company has passed a special resolution in the Extra-Ordinary General Meeting of the members held on April 9, 2022 authorizing the Directors of the Company under Section 180 (1) (c) of the Companies Act, 2013 to borrow from time to time all such money as they may deem necessary for the purpose of business of our Company notwithstanding that money borrowed by the Company together with the monies already borrowed by our Company may exceed the aggregate of the paid up share capital and free reserves provided that the total amount borrowed by the Board of Directors shall not exceed the sum of 100.00 Crore (Rupees One Hundred Crore only).

### **Compensation of our Managing Director & Whole time Directors**

The compensation payable to our Managing Director and Whole time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the

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Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director & Whole time Directors**

Particulars	Mr. Hemant Dalsukhrai Mehta	Mr. Manan Hemant Mehta	Mr. Dharman Manoj Mehta
Appointment/Change in Designation	Appointed as Independent Director since incorporation. Re-Designated as Director w.e.f. February 26, 2020. Further Re-Designated as Chairman and Managing Director w.e.f April 06, 2022 for the period of 5 years.	Appointed as Director since November 10, 2011. Further, Re-Designated as Whole time Director w.e.f. April 06, 2022	Appointed as Director w.e.f. April 15, 2017. Further, Re- Designated as Whole time Director and CFO w.e.f. April 06, 2022
Current Designation	Chairman and Managing Director	Whole time Director	Whole time Director and CFO
Term of Appointment	5 years Not liable to retire by rotation	5 years Liable to retire by rotation	5 years Liable to retire by rotation
Remuneration & Perquisites	Rs. 40.00 Lakhs per annum + Performance based incentive of upto 200% of his remuneration for the period of three years	Rs. 40.00 Lakhs per annum + Performance based incentive of upto 200% of his remuneration for the period of three years	Rs. 25 Lakhs per annum + Performance based incentive of upto 200% of his remuneration for the period of three years
Compensation paid in the FY 2020-21	Rs. 50,70,320	Rs. 50,70,320	Rs. 30,55,503

**Remuneration to our Non-Executive Directors other than Independent Directors**

Our Non-Executive Director, Mrs. Darshana Hemant Mehta, is entitled to an annual remuneration of ₹25 lakhs per annum and sitting fees not exceeding 1.00 lakh for attending each meeting of our Board and its Committee. Other than Mrs. Darshana Hemant Mehta, none of our Non-Executive Directors receive any remuneration from our Company, except for reimbursement of expenses incurred for attending the meetings of our Board and its committees.

**Bonus or Profit-Sharing Plan for our Directors**

We have no bonus or profit-sharing plan for our Directors.

**Sitting Fees**

The Articles of Association of our Company provides for payment of sitting fees to Directors (other than Managing Director & Whole time Directors), not exceeding Rs. 1.00 Lac to be fixed by Directors from time to time, for attending a meeting of the Board or a Committee thereof. Our Board of Directors have resolved in their meeting dated April 30, 2022 for payment of an amount not exceeding Rs. 1.00 lac per meeting as approved by the Board to all Non-Executive Directors for attending each such meeting of the Board or Committee thereof.

**Shareholding of our Directors as on the date of this Draft Prospectus: -**

Sr. No.	Name of the Directors	No. of Shares Held	Holding in %
1.	Mr. Hemant Dalsukhrai Mehta	21,71,200	27.14%
2.	Mr. Manan Hemant Mehta	25,17,360	31.47%
3.	Mr. Dharman Manoj Mehta	1,40,000	1.75%
4.	Mrs. Darshana Hemant Mehta	30,11,440	37.64%

*None of the Independent Directors of the Company hold any Equity Shares of Company as on the date of this Draft Prospectus.*

## ARABIAN PETROLEUM LIMITED

As on date, we do not have any Subsidiary Company as defined under Section 2(6) of the Companies Act, 2013. Our Articles of Association do not require our Directors to hold any qualification Equity Shares in the Company.

### **INTEREST OF DIRECTORS**

Our Directors are interested to the extent of remuneration and reimbursement of expenses payable to them under the Articles. For further details, see- **“Compensation of our Managing Director and Whole time Directors”** beginning on Chapter titled **“Our Management”** page 124 of this Draft Prospectus.

Our Directors may also be regarded as interested to the extent of their shareholding and dividend payable thereon, if any, and to the extent of Equity Shares, if any held by them in our Company or held by their relatives. Further our Director are also interested to the extent of unsecured loans, if any, given by them to our Company and for the Personal Guarantee given by Directors towards financing facilities availed by our Company. For details please refer to **“Statement of Financial Indebtedness”** on page 186 of this Draft Prospectus.. Further for details of the related party transactions please refer to the “Note Z” of **“Financial Information of the Company”** on page 181 of this Draft Prospectus.

Except as stated below our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Draft Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

### **Interest in the Intellectual Property used by our Company**

<b>Sr. No.</b>	<b>Director</b>	<b>Interest</b>
1.	Mr. Hemant Dalsukhrai Mehta	Our Company has entered into Memorandum of Understanding dated April 01, 2016, with our Managing Director, Mr. Hemant Dalsukhrai Mehta for the period of 15 Years for use of trademark naming SPL LUBRICANTS, owned by him, in the lubricant goods manufactured by our company for a sum of upto 0.5% of the Net Sales made under the brand name SPL Lubricants (Label). For further details of property please refer to <b>“Intellectual Property”</b> under Chapter titled <b>“Our Business”</b> beginning on page 95
2.	Mr. Manan Hemant Mehta	Our Company has entered into Memorandum of Understanding dated April 01, 2016, with our Whole Time Director, Mr. Manan Hemant Mehta for the period of 15 Years for use of trademark naming ARZOL, owned by him, in the lubricant goods manufactured by our company for a sum of upto 0.5% of the Net Sales made under the brand name ARZOL. For further details of property please refer to <b>“Intellectual Property”</b> under Chapter titled <b>“Our Business”</b> beginning on page 95

### **Interest in the property of Our Company**

Our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of this Draft Prospectus.

### **Changes in Board of Directors in Last 3 Years**

Except as mentioned hereunder, there is no change in Board of Directors of the Company in last 3 years: -

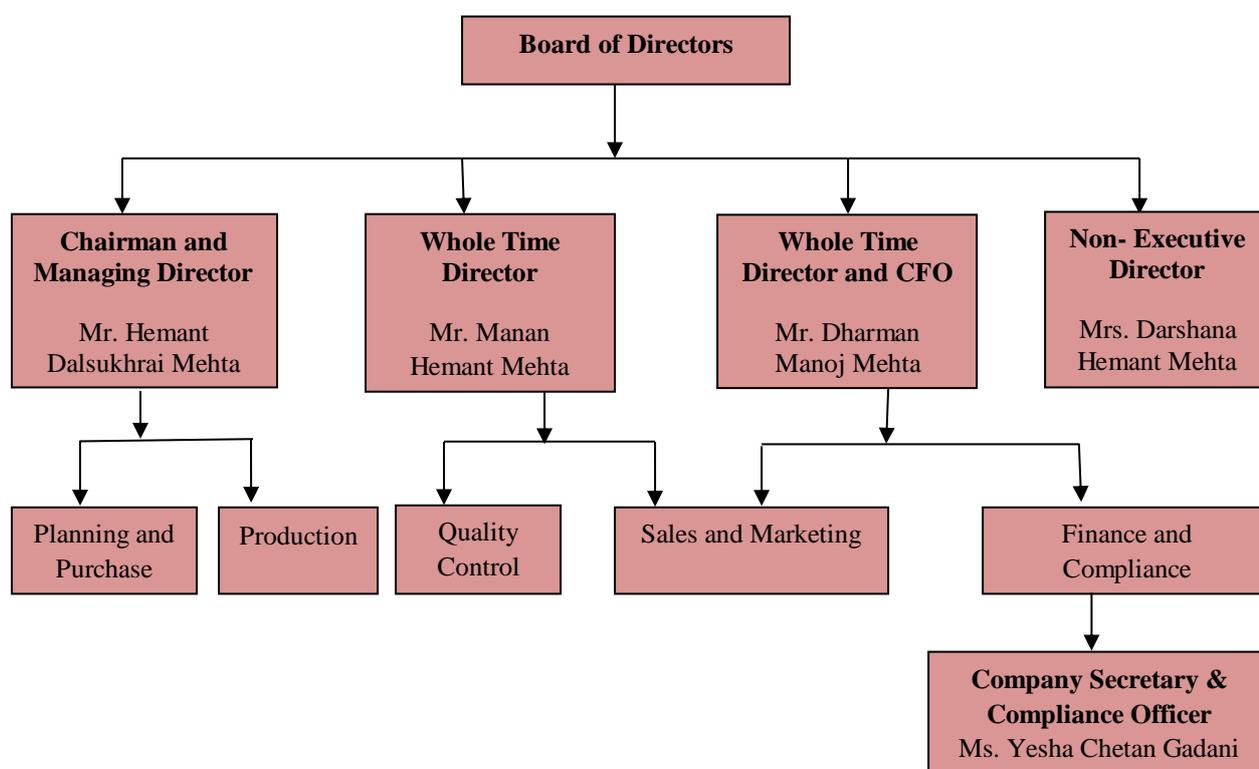
<b>Sr. No.</b>	<b>Name</b>	<b>Date of Appointment / Re - Appointment</b>	<b>Reasons for Change</b>
1.	Mr. Hemant Dalsukhrai Mehta	Re-designated as Director w.e.f February 26, 2020	To ensure better Corporate Governance and compliance with Companies Act, 2013
		Further Re- designated as Chairman and Managing Director w.e.f. April 06, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013

## ARABIAN PETROLEUM LIMITED

2.	Mrs. Darshana Hemant Mehta	Re-designated as Director w.e.f February 26, 2020	To ensure better Corporate Governance and compliance with Companies Act, 2013
		Further Re- designated as Non-executive Director w.e.f. April 06, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013
3.	Mr. Manan Hemant Mehta	Re-designated as Whole Time Director w.e.f. April 06, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013
4.	Mr. Dharman Manoj Mehta	Re-designated as Whole Time Director and CFO w.e.f. April 06, 2022	To ensure better Corporate Governance and compliance with Companies Act, 2013

### MANAGEMENT ORGANISATION STRUCTURE

The following chart depicts our Management Organization Structure:



### COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2018 will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the NSE Emerge. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees, as applicable on us, have been complied with.

Our Board has been constituted in compliance with the Companies Act and in accordance with the best practices in corporate governance. Our Board functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides our Board detailed reports on its performance periodically.

## **ARABIAN PETROLEUM LIMITED**

Our Board of Directors consist of Six (6) directors of which two (2) are Independent Directors, and we have one women director on the Board. The constitution of our Board is in compliance with Section 149 of the Companies Act, 2013.

Our Company has constituted the following committees:

### **1. Audit Committee**

Our Company has constituted an Audit Committee (“Audit Committee”), vide Board Resolution dated April 30, 2022 as per the applicable provisions of the Section 177 of the Companies Act, 2013. The constituted Audit Committee comprises following members:

<b>Name of the Directors</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Milan Mohanlal Paleja	Chairman	Non-Executive-Independent Director
Mr. Dinesh Babulal Panchal	Member	Non-Executive-Independent Director
Mrs. Darshana Hemant Mehta	Member	Non- Executive Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to furnish clarifications to the shareholders in any matter relating to accounts. The scope and function of the Audit Committee and its terms of reference shall include the following:

#### **A. Tenure:**

The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

#### **B. Meetings of the Committee:**

The committee shall meet at least four times in a year and not more than four months shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting. Meeting of the Audit Committee shall be called by at least seven days’ notice in advance.

#### **C. Role and Powers:**

The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

The Audit Committee shall have powers, including the following:

- a) to investigate any activity within its terms of reference;
- b) to seek information from any employee;
- c) to obtain outside legal or other professional advice;
- d) to secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations; and
- e) To have full access to information contained in records of Company.

The role of the Audit Committee shall include the following:

1. Overseeing the Company’s financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, re-appointment, replacement, remuneration and terms of appointment of the statutory auditors of the Company;
3. Reviewing and monitoring the statutory auditor’s independence and performance, and effectiveness of audit process;
4. Approving payments to the statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor’s report thereon before submission to the Board for approval, with particular reference to:

6. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act;
7. Changes, if any, in accounting policies and practices and reasons for the same;
8. Major accounting entries involving estimates based on the exercise of judgment by management;
9. Significant adjustments made in the financial statements arising out of audit findings;
10. Compliance with listing and other legal requirements relating to financial statements;
11. Disclosure of any related party transactions; and vii. Qualifications and modified opinions in the draft audit report.
12. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
13. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;
14. Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;
15. Scrutiny of inter-corporate loans and investments;
16. Valuation of undertakings or assets of the Company, wherever it is necessary;
17. Evaluation of internal financial controls and risk management systems;
18. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances; (m) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
19. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
20. Discussing with internal auditors on any significant findings and follow up thereon;
21. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
22. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
23. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
24. Reviewing the functioning of the whistle blower mechanism;
25. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate;
26. ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
27. Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
28. Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
29. Such roles as may be delegated by the Board and/or prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law.
30. Carrying out any other functions as is mentioned in the terms of reference of the audit committee or containing into SEBI (LODR) Regulations 2015.

Further, the audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;”
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and

5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI ICDR Regulations.
  - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI ICDR Regulations.

## 2. Stakeholders Relationship Committee

Our Company has formed the Stakeholders Relationship Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated April 30, 2022. The constituted Stakeholders Relationship Committee comprises the following:

Name of the Directors	Status in Committee	Nature of Directorship
Mrs. Darshana Hemant Mehta	Chairman	Non-Executive Director
Mr. Dinesh Babulal Panchal	Member	Non-Executive-Independent Director
Mr. Manan Hemant Mehta	Member	Whole Time Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholder Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholder Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholder Relationship Committee shall meet at least once a year, and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** The terms of reference of the Stakeholders Relationship Committee as per Regulation 20 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:
  1. Consider and resolve grievances of security holders of the Company, including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
  2. Review of measures taken for effective exercise of voting rights by shareholders;
  3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
  4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;
  5. Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
  6. To approve, register, refuse to register transfer or transmission of shares and other securities;
  7. To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;
  8. Allotment and listing of shares;
  9. To authorize affixation of common seal of the Company;
  10. To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
  11. To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;
  12. To dematerialize or rematerialize the issued shares;
  13. Ensure proper and timely attendance and redressal of investor queries and grievances;

14. Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and
15. To perform such functions as may be delegated by the Board and to further delegate all or any of its power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).
16. Such terms of reference as may be prescribed under the Companies Act, 2013 and SEBI Listing Regulations or other applicable law

### 3. Nomination and Remuneration Committee

Our Company has formed the Nomination and Remuneration Committee as per the applicable provisions of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated April 30, 2022. The Nomination and Remuneration Committee comprise the following:

Name of the Directors	Status in Committee	Nature of Directorship
Mr. Milan Mohanlal Paleja	Chairman	Non-Executive-Independent Director
Mr. Dinesh Babulal Panchal	Member	Non-Executive-Independent Director
Mrs. Darshana Hemant Mehta	Member	Non-Executive Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

#### A. Tenure:

The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board..

#### B. Meetings:

The committee shall meet as and when the need arise, for review of Managerial Remuneration, subject to at least one meeting in a year. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. Meeting of the Remuneration Committee shall be called by at least seven days' notice in advance.

#### D. Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee as per Regulation 19 and Part D of Schedule II of SEBI Listing Regulations and Companies Act, 2013 shall be as under:

- 1) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- 2) For the appointment of an independent director, the committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the board of directors of the Company for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a) use the services of external agencies, if required,
  - b) consider candidates from a wide range of backgrounds, having due regard to diversity, and
  - c) consider the time commitments of the candidates;
- 3) formulation of criteria for evaluation of the performance of independent directors and the Board;
- 4) devising a policy on diversity of our Board;
- 5) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- 6) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- 7) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of our Company;

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- 8) recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;
- 9) recommending to the Board, all remuneration, in whatever form, payable to senior management;
- 10) performing such functions as are required to be performed by the compensation committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, as amended;
- 11) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- 12) analyzing, monitoring and reviewing various human resource and compensation matters;
- 13) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- 14) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - a) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - b) The SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- 15) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

### **KEY MANAGERIAL PERSONNEL**

Our Company is supported by a team of professionals having exposure to various operational aspects of our business. A brief detail about the Key Managerial Personnel of our Company is provided below:

<b>Name, Designation &amp; Educational Qualification</b>	<b>Age (Yrs)</b>	<b>Date of joining (current designation)</b>	<b>Compensation paid for F.Y. 20-21 (in Rs Lacs)</b>	<b>Overall experience</b>	<b>Previous employment</b>
<b>Name:</b> Mr. Hemant Dalsukhrai Mehta <b>Designation:</b> Chairman and Managing Director <b>Qualification:</b> Bachelor of Commerce	63	Re-designated as Chairman and Managing Director w.e.f. April 06, 2022	50.70	41 yrs	-
<b>Name:</b> Mr. Manan Hemant Mehta <b>Designation:</b> Whole time Director <b>Qualification:</b> B. Tech. (Chemical Engineering, M.B.A. in Technology Management)	32	Re-designated as Whole time Director w.e.f. April 06, 2022	50.70	9 yrs	-
<b>Name:</b> Mr. Dharman Manoj Mehta <b>Designation:</b> Whole time Director and CFO <b>Qualification:</b> B.Com and Chartered Accountant	31	Re-Designated as Whole Time Director and CFO w.e.f. April 06, 2022	30.56	7 yrs	Associate in Price Waterhouse Coopers
<b>Name:</b> Ms. Yesha Chetan Gandani <b>Designation:</b> Company Secretary & Compliance Officer <b>Qualification:</b> Company Secretary	25	Appointed w.e.f. October 15, 2021 and Re-designated as Company Secretary and Compliance Officer w.e.f. April 06, 2022	Nil	Around 1 year	Associate in Just Archon Advisors LLP

### **BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL**

**Mr. Hemant Dalsukhrai Mehta-** Please refer to section “*Brief Profile of our Directors*” beginning on page 124 of this Draft Prospectus for details.

**Mr. Manan Hemant Mehta-** Please refer to section “*Brief Profile of our Directors*” beginning on page 124 of this Draft Prospectus for details

## **ARABIAN PETROLEUM LIMITED**

**Mr. Dharman Manoj Mehta**-Please refer to section “*Brief Profile of our Directors*” beginning on page 124 of this Draft Prospectus for details

**Ms. Yesha Chetan Gandani** is Company Secretary and Compliance officer of our Company. She is an Associate member of the Institute of Company Secretaries of India with membership number ACS 63375. She is responsible for corporate secretarial and compliance work of our company. She has completed her internship from Godrej Properties Limited. Prior to joining she has worked as an associate company secretary in Just Archon Advisors LLP for 5 months and thereafter she is associated with our company since October 15, 2021.

### **We confirm that:**

- a. All the persons named as our Key Managerial Personnel above are the permanent employees of our Company.
- b. There is no understanding with major shareholders, customers, suppliers or any others pursuant to which any of the above mentioned Key Managerial Personnel have been recruited.
- c. None of our KMPs except Mr. Hemant Dalsukhrai Mehta, Mr. Manan Hemant Mehta and Mr. Dharman Manoj Mehta a part of the Board of Directors.
- d. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the stub period ended on December 31, 2021.
- e. Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements or service contracts (including retirement and termination benefits) with the issuer.
- f. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- g. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Draft Prospectus except as under: -

Sr. No.	Name of the KMP	No. of Shares held
1.	Mr. Hemant Dalsukhrai Mehta	21,71,200
2.	Mr. Manan Hemant Mehta	25,17,360
3.	Mr. Dharman Manoj Mehta	1,40,000

- h. Presently, we do not have ESOP/ESPS scheme for our employees.
- i. The turnover of KMPs is not high, compared to the Industry to which our company belongs.

### **Payment of benefits to officers of Our Company (non-salary related)**

Except as disclosed in this Draft Prospectus and any statutory payments made by our Company to its officers, our Company has not paid any sum, any non-salary related amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

Except statutory benefits upon termination of employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer’s employment in our Company or superannuation. Contributions are made by our Company towards provident fund, gratuity fund and employee state insurance

### **Changes in the Key Managerial Personnel in last three years:**

There has been no change in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation and period	Appointment/Cessation/Re-designation	Reasons
1.	Mr. Hemant Dalsukhrai Mehta	Chairman & Managing Director (w.e.f. April 06, 2022)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
2.	Mr. Manan Hemant	Whole time Director	Re-designation	To comply with the

## ***ARABIAN PETROLEUM LIMITED***

	Mehta	(w.e.f. April 06, 2022)		provisions of Companies Act 2013 and to ensure better Corporate Governance
3.	Mr. Dharman Manoj Mehta	Whole time Director and CFO (w.e.f. April 06, 2022)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance
4.	Ms. Yesha Chetan Gandani	Company Secretary and Compliance Officer (w.e.f. April 06, 2022)	Re-designation	To comply with the provisions of Companies Act 2013 and to ensure better Corporate Governance

### **Interest of Our Key Managerial Persons**

Apart from the shares held in the Company and to extent of remuneration allowed and reimbursement of expenses incurred by them for or on behalf of the Company and to the extent of loans and advances made to or borrowed from the Company and for the Personal Guarantee given towards financing facilities availed by our Company, none of our key managerial personal are interested in our Company. Further for details of the related party transactions please refer to the “*Note Z*” of “*Financial Information of the Company*” on page 181 of this Draft Prospectus.

### **Nature of any family relationship between our Directors and Key Managerial Personnel (KMP)**

There is no relationship between our Directors and Key Managerial Personnel (KMP) except as mentioned below:

<b>Sr No</b>	<b>Name of KMP</b>	<b>Nature of Relationship</b>
1.	Mr. Hemant Dalsukhrai Mehta	Husband of Mrs. Darshana Hemant Mehta Father of Mr. Manan Hemant Mehta Uncle of Mr. Dharman Manoj Mehta
3.	Mr. Manan Hemant Mehta	Son of Mr. Hemant Dalsukhrai Mehta and Mrs. Darshana Hemant Mehta Cousin of Mr. Dharman Manoj Mehta
4.	Mr. Dharman Manoj Mehta	Nephew of Hemant Dalsukhrai Mehta Nephew in law of Hemant Dalsukhrai Mehta Cousin of Mr. Manan Hemant Mehta

### **Interest in the property of our Company**

Except as mentioned in the Chapter titled “*Our Management*” in the section “*Interest of our Directors- Interest in the property of our Company*” on page 124 of this Draft Prospectus, our KMPs do not have any other interest in any property acquired by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of filing the Draft Prospectus with RoC.

### **Details of Service Contracts of the Key Managerial Personnel**

Except for the terms set forth in the appointment letters, the Key Managerial Personnel have not entered into any other contractual arrangements with our Company for provision of benefits or payments of any amount upon termination of employment.

### **Loans given/availed by Directors / Key Managerial Personnel of Our Company**

For details of unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “*Note Z- Restated Statement of Related Party Transactions*” page 181 of this Draft Prospectus.

**ESOP/ESPS SCHEME TO EMPLOYEES**

Presently, we do not have any ESOP/ESPS Scheme for our employees.

**OUR PROMOTERS & PROMOTER GROUP****Our Promoters:**

Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta are the Promoters of our Company. As on the date of this Draft Prospectus, our Promoter holds 46,88,560 Equity shares representing 58.61% of the pre-issue paid-up Equity Share capital of our Company. Our Promoters and Promoter Group will continue to hold the majority of the post-issue paid-up Equity Share Capital of our Company.

**Brief Profile of our Promoters is as under:**

	<b>Mr. Hemant Dalsukhrai Mehta – Chairman &amp; Managing Director</b>	
	<b>Qualification</b>	B. Com
	<b>Age</b>	63 years
	<b>Date of Birth</b>	December 29, 1958
	<b>Address</b>	Near Shanti Industrial Estate A-2, 4 <sup>th</sup> Floor, Tara Tower, S.N.Road, Mulund West, Mumbai-400080, Maharashtra.
	<b>Total Experience in business &amp; employment</b>	41 Years
	<b>Occupation</b>	Business
	<b>PAN No.</b>	AALPM2593B
	<b>Aadhar Card Number</b>	895312686563
	<b>No. of Equity Shares held &amp;% of Shareholding (Pre Issue)</b>	21,71,200 Equity Shares aggregating to 27.14% of Pre Issue Paid up Share Capitals
	<b>Other Interests</b>	<b>HUF</b> <ul style="list-style-type: none"> <li>Hemant D Mehta HUF</li> </ul> <b>Proprietorship Firm</b> <ul style="list-style-type: none"> <li>M/s Eastern India Co</li> </ul>
	<b>Mr. Manan Hemant Mehta- Whole time Director</b>	
	<b>Qualification</b>	B. Tech in Chemical Engineering and MBA in Technology Management
	<b>Age</b>	32 years
	<b>Date of Birth</b>	December 18, 1989
	<b>Address</b>	Near Tambe Nagar A-2, Tara Tower, 4 <sup>th</sup> Floor, S.N. Road, Mulund West, Mumbai- 400080, Maharashtra.
	<b>Total Experience in business &amp; employment</b>	9 years
	<b>Occupation</b>	Business
	<b>PAN No.</b>	ATEPM7251J
	<b>Aadhar Card Number</b>	771026230418
	<b>No. of Equity Shares held &amp;% of Shareholding (Pre Issue)</b>	25,17,360 Equity Shares aggregating to 31.47% of Pre Issue Paid up Share Capitals
<b>Other Interests</b>	<b>HUF</b> <ul style="list-style-type: none"> <li>Manan Hemant Mehta HUF</li> </ul>	

For brief biography of our Individual Promoters, please refer to Chapter titled “**Our Management**” beginning on page 124 of this Draft Prospectus.

**Confirmations/Declarations**

In relation to our Promoters, Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta, our Company confirms that the PAN, bank account number and passport number has been submitted to National Stock Exchange of India Limited at the time of filing of this Draft Prospectus.

**Interest of our Promoter**

***Interest in promotion of Our Company:***

Our Promoters are interested in the promotion of our Company and also to the extent of their shareholding and shareholding of their relatives, from time to time, for which they are entitled to receive dividend payable, if any, and other distribution in respect of the Equity Shares held by them and their relatives. As on the date of this Draft Prospectus, Our Promoters, Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta holds 46,88,560 Equity Shares in our Company i.e. 58.61% of the pre issue paid up Equity Share Capital of our Company. Our Promoters may also be deemed to be interested to the extent of their remuneration, as per the terms of their appointment and reimbursement of expenses payable to them and unsecured loan advanced to/taken from them, if any. For details regarding the shareholding of our Promoters in our Company, please see "***Capital Structure***" on page 53 of this Draft Prospectus.

***Interest in the property of Our Company:***

Our Promoters does not have any other interest in any property acquired/rented by our Company in a period of two years before filing of this Draft Prospectus or proposed to be acquired by us as on date of Draft Prospectus.

***In transactions for acquisition of land, construction of building and supply of machinery***

Our Promoters are not interested in any transaction for the acquisition of land, construction of building or supply of machinery.

***Other Interests in our Company***

For monetary transactions entered in past please refer ***Note Z on "Related Party Transactions"*** on page 181 forming part of "***Financial Information of the Company***" of this Draft Prospectus.

**Payment or Benefits to our Promoter and Promoter Group during the last 2 years**

For details of payments or benefits paid to our Promoter and promoter group, please refer to the paragraph "***Compensation of our Managing Director and Whole Time Directors***" in the chapter titled "***Our Management***" beginning on page 124 also refer Note Z on "***Related Party Transactions***" on page 181 forming part of "***Financial Information of the Company***" and Paragraph on "***Interest of Promoter***" in chapter titled "***Our Promoter and Promoter Group***" on page 139 of this Draft Prospectus.

**Companies/Firms with which our Promoter has disassociated in the last (3) three years**

Our promoters have not disassociated themselves from any of the Company, Firms or other entities during the last three years preceding the date of this Draft Prospectus.

**Other ventures of our Promoter**

Save and except as disclosed in this section titled "***Our Promoter & Promoter Group***" beginning on page 139 of this Draft Prospectus, there are no other ventures, in which our Promoters has any business interests/ other interests.

**Defunct / Strike-off Company**

Our Promoters was not associated with the companies that were strike off with ROC in the past.

**Litigation details pertaining to our Promoter**

For details on litigations and disputes pending against the Promoters and defaults made by the Promoters please refer to the section titled “*Outstanding Litigations and Material Developments*” beginning on page 201 of this Draft Prospectus.

**Experience of Promoter in the line of business**

Our Promoters, Mr. Hemant Dalsukhrai Mehta and Mr. Manan Hemant Mehta has an experience of around 15 years and 9 years respectively in the business of manufacturing and trading of lubricants.

**Related Party Transactions**

For the transactions with our Promoter Group, please refer to section titled “*Note Z- Related Party Transactions*” on page 181 of this Draft Prospectus.

**OUR PROMOTER GROUP**

In addition to the Promoters named above, the following natural persons are part of our Promoter Group:

**1. Natural Persons who are part of the Promoter Group**

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters) are as follows:

Relationship with Promoter	Mr. Hemant Dalsukhrai Mehta	Mr. Manan Hemant Mehta
Father	Dalsukhrai Mehta	Hemant Dalsukhrai Mehta
Mother	Savita Mehta	Darshana Hemant Mehta
Spouse	Darshana Hemant Mehta	Rajvi Mehta
Brother	Late : Jayant Mehta	NA
	Nitin D Mehta	
	Manoj Mehta	
Sister	NA	NA
Son	Manan Hemant Mehta	NA
Daughter	NA	Manvi Mehta
Spouse’s Father	Surendra Sanghvi	Paresh Kothari
Spouse’s Mother	Indira Sanghvi	Darshana Kothari
Spouse’s Brother	NA	NA
Spouse’s Sister	Jai Kothari	Saloni Kothari
	Raksha Kothari	NA
	Purvi Shah	NA

**2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018, the following entities would form part of our Promoter Group:

S.No.	Nature of Relationship	Entity
1	Any Body corporate in which 20% or more of the equity share capital is held by the Promoter or an immediate relative of the Promoter or a firm or HUF in which the Promoter or any one or more of his immediate relatives is a member	Arabian Technologies LLP
2	Any company in which a company mentioned in (1) above, holds 20% or more, of the equity share capital	Nil

**ARABIAN PETROLEUM LIMITED**

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3	Any HUF or firm in which the aggregate shareholding of the Promoter and his immediate relatives is equal to or more than 20% of the total	<p><b>HUF</b></p> <ol style="list-style-type: none"><li>1) Hemant D Mehta HUF</li><li>2) Manan Hemant Mehta HUF</li></ol> <p><b>Proprietorship Firm</b></p> <ol style="list-style-type: none"><li>1) M/s Arabian Petroleum (Proprietor – Hemant D Mehta HUF)</li><li>2) M/s Eastern India Co (Proprietor – Hemant Dalsukhrai Mehta)</li><li>3) M/s Eastern India Company (Proprietor - Manan Hemant Mehta HUF)</li></ol>
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**Other persons included in Promoter Group:**

None of other persons forms part of promoter group for the purpose of shareholding of the Promoter Group under Regulation 2(1) (pp)(v) of SEBI (ICDR) Regulations 2018.

**DIVIDEND POLICY**

Our Company does not have any formal dividend policy for declaration of dividend in respect of the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and may depend on a number of factors, including the results of operations, earnings, Company's future expansion plans, capital requirements and surplus, general financial condition, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

The Articles of Association of our Company states that amount of dividend declared shall not exceed the amount of dividend recommended by the Board of Directors. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013. . Our Company may pay dividend by cheque, or warrant sent through the post directed to the registered address of the holder or, in case of joint holders, to the registered address of that one of the joint holders who is the first named on the register of members or any other mode as will be approved by our Board in the future. Our Board may also declare interim dividend from time to time.

Our Company has not declared any dividend on the Equity Shares in the last three financial years. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

**SECTION VI**  
**FINANCIAL INFORMATION OF THE COMPANY**

To,

**The Board of Directors,**  
**Arabian Petroleum Limited,**  
Plot 14-B, Morivali M.I.D.C.,  
Opp. Positive Packaging, Ambernath (W),  
Thane - 421505

Dear Members,

1. We have examined the attached Restated Financial Statements of Arabian Petroleum Limited, comprising the Restated Statement of Assets and Liabilities as at December 31, 2021, March 31, 2021, 2020, and 2019, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years/period ended December 31, 2021, March 31, 2021, 2020, and 2019, the Summary Statement of Significant Accounting Policies, the Notes and Annexures as forming part of these Restated Financial Statements (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on June 17, 2021 for the purpose of inclusion in the Draft Prospectus/ Prospectus ("Draft Prospectus/Prospectus") prepared by the Company in connection with its proposed SME Initial Public Offer of equity shares ("SME IPO") prepared in terms of the requirements of:
  - a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Prospectus/Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed SME IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in Annexure IV of the Restated Financial Information. The Board of Directors responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Companies Act, (ICDR) Regulations and the Guidance Note.
3. We, **M/s MNT And Associates LLP** Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India ("**ICAI**") and holds the peer review certificate dated 12-08-2021 valid till 31-08-2025. We confirm that there is no express refusal by the peer review board of ICAI to renew the certificate and the process to renew the peer review certificate has been initiated by us.
4. We have examined such Restated Financial Information taking into consideration:
  - a) The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated December 15,2021 in connection with the proposed IPO of the Company;
  - b) The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c) Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and

- d) The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
5. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the period ended December 31,2021, March 31,2021, March 31,2020, and March 31,2019 which has been approved by the Board of Directors. The financial statements of the Company for the year ended March 31, 2019 and March 31,2020 and March 31,2021 have been audited by M/s Viral Jain & Associates and the financial statements for the period ended December 31,2021 have been audited by us.
6. For the purpose of our examination, we have relied on:
- a) Auditors' reports issued by us dated 15<sup>th</sup> June, 2022 on the financial statements of the Company as at and for the period ended December 31, 2021 as referred in Paragraph 5 above;
- b) Auditors' reports issued by M/s Viral Jain & Associates dated November 29, 2021, December 01, 2020, June 25, 2019 on the financial statements of the Company as at and for the period ended March 31, 2021, March 31, 2020 and March 31, 2019 respectively as referred in Paragraph 5 above;
7. Based on our examination and according to the information and explanations given to us, we report that the Restated Financial Information have been prepared:
- a) after incorporating adjustments for the changes in accounting policies and regrouping/reclassifications retrospectively, if any in the financial years/period ended December 31, 2021, March 31, 2021, 2020 and 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications; and
- b) In accordance with the Act, ICDR Regulations and the Guidance Note.
8. We have also examined the following Notes to the Restated financial information of the Company set out in the Annexure IV, prepared by the management and approved by the Board of Directors on June 17, 2022 for the years/period ended December 31, 2021, March 31, 2021, 2020 and 2019.

Annexure IV - Notes to the Restated Summary Financial Information;

- a) Restated Statement of Share Capital, Reserves and Surplus as appearing in Note A to this report;
- b) Restated Statement of Long Term Borrowings as appearing in Note B to this report;
- c) Restated Statement of principal terms of Secured Loans and Assets charged as security as appearing in Note B(a) to this report;
- d) Statement of terms & conditions of unsecured loans as appearing In Note B(b) to this report;
- e) Restated Statement of Deferred Tax (Assets) / Liabilities as appearing in Note C to this report;
- f) Restated Statement of Long Term Provisions as appearing in Note D to this report;
- g) Restated Statement of Short term borrowings as appearing in Note E to this report;
- h) Restated Statement of Trade Payables as appearing in Note F to this report;
- i) Restated Statement of Other Current Liabilities as appearing in Note G to this report;
- j) Restated Statement of Short Term Provisions as appearing in Note H to this report;
- k) Restated Statement of Fixed Assets as appearing in Note I to this report;
- l) Restated Statement of Trade Receivables as appearing in Note J to this report;
- m) Restated Statement of Cash and Cash Equivalents as appearing in Note K to this report;
- n) Restated Statement of Non -Current Investments as appearing in Note L to this report;
- o) Restated Statement of Short-term Loans and Advances as restated as appearing in Note M to this report;
- p) Restated Statement of Inventories as appearing in Note N to this report;
- q) Restated Statement of Short Term Loans and Advances as appearing in Note O to this report;
- r) Restated Statement of Other Current Assets as appearing in Note P to this report;
- s) Restated Statement of Revenue from Operations as appearing in Note Q to this report;
- t) Restated Statement of Other Income as appearing in Note R to this report;

- u) Restated Statement of Purchase of Material as appearing in Note S to this report;
  - v) Restated Statement of Change in Inventories as appearing in Note T to this report;
  - w) Restated Statement of Employee Benefit Expenses as appearing in Note U to this report;
  - x) Restated Statement of Depreciation & Amortization as appearing in Note V to this report ;
  - y) Restated Statement of Finance Cost as appearing in Note W to this report;
  - z) Restated Statement of Other Expenses as appearing in Note X to this report ;
  - aa) Restated Statement of Contingent Liabilities as appearing in Note Y to this report ;
  - bb) Restated Statement of Other Related Disclosures as appearing in Note YA to this report
  - cc) Restated Statement of Disclosures Under AS 15 as appearing in Note YB to this report
  - dd) Restated Statement of Disclosures relating to MSME as appearing in Note YC to this report
  - ee) Restated Statement of Related Party Transactions as appearing in Note Z to this report ;
  - ff) Restated Statement of Tax Shelter as appearing in Note ZA to this report ;
  - gg) Capitalization Statement as appearing in Note ZB to this report;
  - hh) Mandatory Accounting Ratios Statement as appearing in Note ZC to this report.
9. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 5 above.
10. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or any other auditor, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Prospectus/ Prospectus to be filed with Securities and Exchange Board of India, relevant stock exchange and Registrar of Companies, Mumbai in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.
13. In our opinion, the above financial information contained in Annexure I to Annexure IV of this report read with the respective Significant Accounting Policies and Notes to Accounts as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with the Act, ICDR Regulations, Engagement Letter and Guidance Note and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

**For M/s MNT and Associates LLP,  
Chartered Accountants  
FRN: W100115**

**Sd/-**

**CA Mahesh Gala  
Partner  
M. No. 116548  
Place: Thane  
Date: 15<sup>th</sup> June, 2022  
UDIN: 22116548ALTLN08495**

**ANNEXURE - I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs in lakhs)

PARTICULARS		Notes	As at the Year/Period ended			
			31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1.</b>	<b>Shareholders' Funds</b>					
(a)	Share Capital	<b>A</b>	200	200	200	200
(b)	Reserves & Surplus	<b>A</b>	1,445.28	1,101.98	814.44	533.21
(c)	Share Application Money		-	-	-	-
			<b>1,645.28</b>	<b>1,301.98</b>	<b>1,014.44</b>	<b>733.21</b>
<b>2.</b>	<b>Non Current Liabilities</b>					
(a)	Long Term Borrowings	<b>B</b>	289.93	399.73	277.03	63.86
(b)	Deferred Tax Liabilities (Net)	<b>C</b>	-	-	-	-
(c)	Long Term Provisions	<b>D</b>	13.88	0.65	8.86	19.97
			<b>303.82</b>	<b>400.37</b>	<b>285.89</b>	<b>83.82</b>
<b>3.</b>	<b>Current Liabilities</b>					
(a)	Short Term Borrowings	<b>E</b>	2,015.86	1,798.03	1,376.67	1,229.55
(b)	Trade Payables	<b>F</b>	2,792.76	1,230.32	886.44	954.91
(c)	Other Current Liabilities	<b>G</b>	98.67	98.02	115.35	114.84
(d)	Short Term Provisions	<b>H</b>	214.26	203.16	48.06	34.92
			<b>5,121.56</b>	<b>3,329.53</b>	<b>2,426.53</b>	<b>2,334.21</b>
	<b>Total</b>		<b>7,070.66</b>	<b>5,031.88</b>	<b>3,726.85</b>	<b>3,151.24</b>
<b>B)</b>	<b>ASSETS</b>					
<b>1.</b>	<b>Non Current Assets</b>					
(a)	Fixed Assets	<b>I</b>				
	I) Tangible Assets					
	(i) Gross Block		1,624.21	1,500.54	1,352.70	859.90
	(ii) Depreciation		619.55	542.00	404.85	333.59
	(iii) Net Block		1,004.67	958.54	947.84	526.31
	II) Intangible Assets					
	(i) Gross Block		6.33	6.33	4.94	2.04
	(ii) Depreciation		5.13	4.34	2.90	1.44
	(iii) Net Block		1.20	1.99	2.04	0.60
	III) Capital WIP		-	2.02	-	-
			<b>1,005.87</b>	<b>962.54</b>	<b>949.88</b>	<b>526.92</b>
(b)	Non-Current Investment	<b>L</b>	-	-	2.00	2.00
(c)	Deferred Tax Assets (Net)	<b>C</b>	11.08	12.03	10.61	15.74
(d)	Long Term Loans and Advances	<b>M</b>	10.10	6.33	6.40	3.13
			<b>21.18</b>	<b>18.36</b>	<b>19.01</b>	<b>20.88</b>
<b>2.</b>	<b>Current Assets</b>					
(a)	Trade Receivables	<b>J</b>	3,458.28	2,281.50	1,719.41	1,749.35
(b)	Cash and Cash equivalents	<b>K</b>	77.80	21.02	104.89	23.53
(c)	Inventories	<b>N</b>	2,282.31	1,565.21	805.61	694.18
(d)	Short-Term Loans and Advances	<b>O</b>	43.04	48.65	37.19	36.50
(e)	Other Current Assets	<b>P</b>	182.18	134.59	90.87	99.88
			<b>6,043.61</b>	<b>4,050.97</b>	<b>2,757.96</b>	<b>2,603.45</b>
	<b>Total</b>		<b>7,070.66</b>	<b>5,031.88</b>	<b>3,726.85</b>	<b>3,151.24</b>

**ANNEXURE - II**  
**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs in lakhs)

PARTICULARS	Notes	For the Year/ period ended				
		31-12-2021	31-03-2021	31-03-2020	31-03-2019	
<b>1</b>	<b>Revenue From Operations</b>	<b>Q</b>	14,015.25	10,998.70	8,392.40	7,757.50
<b>2</b>	<b>Other Income</b>	<b>R</b>	35.26	25.83	21.61	37.87
	<b>Total Revenue (1+2)</b>		<b>14,050.51</b>	<b>11,024.54</b>	<b>8,414.01</b>	<b>7,795.36</b>
<b>3</b>	<b>Expenditure</b>					
(a)	Cost of materials consumed	<b>S</b>	12,459.64	8,846.25	6,307.14	6,476.38
(b)	Change In Inventory	<b>T</b>	(873.27)	(134.30)	73.62	(52.88)
(c)	Employee Benefit Expenses	<b>U</b>	648.73	627.42	506.66	417.70
(d)	Finance Cost	<b>W</b>	124.31	122.67	102.42	91.50
(e)	Depreciation and Amortisation Expenses	<b>V</b>	78.33	138.59	72.72	68.64
(f)	Other Expenses	<b>X</b>	1,151.95	1,033.92	974.93	615.37
<b>4</b>	<b>Total Expenditure 3(a) to 3(f)</b>		<b>13,589.69</b>	<b>10,634.55</b>	<b>8,037.51</b>	<b>7,616.72</b>
<b>5</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (2-4)</b>		460.82	389.99	376.50	178.65
<b>6</b>	<b>Exceptional item</b>		-	-	-	-
<b>7</b>	<b>Profit/(Loss) Before Tax (56)</b>		<b>460.82</b>	<b>389.99</b>	<b>376.50</b>	<b>178.65</b>
<b>8</b>	<b>Tax Expense:</b>					
(a)	Tax Expense for Current Year		116.57	103.87	90.13	57.24
(b)	Short/(Excess) Provision of Earlier Year					
(c)	Deferred Tax		0.95	(1.42)	5.14	(6.96)
	<b>Net Current Tax Expenses</b>		<b>117.52</b>	<b>102.44</b>	<b>95.27</b>	<b>50.28</b>
<b>9</b>	<b>Profit/(Loss) for the Year (5-6)</b>		<b>343.30</b>	<b>287.54</b>	<b>281.23</b>	<b>128.37</b>
<b>10</b>	<b>Earning Per Share</b>					
	Basic		17.17	143.77	140.62	64.18
	Diluted		4.29	3.59	3.52	1.60

**ANNEXURE- III**  
**RESTATED CASH FLOW STATEMENT**

(Rs in lakhs)

PARTICULARS	Notes	FOR THE YEAR ENDED			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b><u>A) Cash Flow From Operating Activities :</u></b>					
Net Profit before tax		460.82	389.99	376.50	178.65
Adjustment for :					
Depreciation and amortization		78.33	138.59	72.72	68.64
Interest Paid		124.31	122.67	93.39	79.76
(Profit) / loss on sale / write off of assets		-	2.00	-	-
<b>Operating profit before working capital changes</b>		663.46	653.25	542.61	327.05
<b>Changes in Working Capital</b>					
(Increase)/Decrease in Trade Receivables		(1,176.77)	(562.09)	29.93	(489.30)
(Increase)/Decrease in Inventory		(717.10)	(759.60)	(111.43)	20.84
(Increase)/Decrease in Other Current Assets		(47.59)	(43.72)	9.01	7.26
Increase/(Decrease) in Trade Payables		1,562.45	343.88	(68.47)	140.32
Increase/(Decrease) in Other Current Liabilities		0.65	(17.33)	0.52	49.50
Cash generated from operations		285.10	(385.62)	402.18	55.66
Less:- Income Taxes paid		(116.57)	(103.87)	(90.13)	(57.24)
<b>Net cash flow from operating activities</b>	<b>A</b>	<b>168.53</b>	<b>(489.49)</b>	<b>312.05</b>	<b>(1.58)</b>
<b><u>B) Cash Flow From Investing Activities :</u></b>					
Purchase of Fixed Assets including of CWIP		(121.65)	(151.26)	(495.69)	(144.72)
<b>Net cash flow from investing activities</b>	<b>B</b>	<b>(121.65)</b>	<b>(151.26)</b>	<b>(495.69)</b>	<b>(144.72)</b>
<b><u>C) Cash Flow From Financing Activities :</u></b>					
Proceeds from Issue of Share Capital				-	
Increase/(Decrease) in Short Term Borrowings		217.84	421.35	147.12	341.88
Increase/(Decrease) in Long Term Borrowings		(109.79)	122.69	213.18	(175.18)
Interest Paid		(124.31)	(122.67)	(93.39)	(79.76)
Changes in Short Term Provisions		11.10	155.10	13.14	28.07
Changes in Short term loans and advances		5.61	(11.46)	(0.68)	(10.82)
Changes in Long Term Provisions		13.24	(8.21)	(11.11)	19.97
Changes in Long Term Loans and Advances		(3.77)	0.07	(3.27)	-
<b>Net cash flow from financing activities</b>	<b>C</b>	<b>9.91</b>	<b>556.87</b>	<b>264.99</b>	<b>124.17</b>
<b>Net Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	(A+B+C)	56.79	(83.87)	81.35	(22.13)
<b>Cash equivalents at the beginning of the year</b>		21.02	104.89	23.53	45.67
<b>Cash equivalents at the end of the year</b>		<b>77.80</b>	<b>21.02</b>	<b>104.89</b>	<b>23.53</b>

**Notes:**

4.

	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Component of Cash and Cash equivalents</b>				
Cash on hand	8.76	6.26	8.26	3.99
Balance With banks	14.86	10.84	86.28	9.98
Other Bank Balance		0.003		-
Fixed Deposit For Bank Guarantee (Margin Money)	54.18	3.92	10.35	9.56
<b>Total</b>	<b>77.80</b>	<b>21.02</b>	<b>104.89</b>	<b>23.53</b>

5. Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, financing and investing activities of the company are segregated.
6. The accompanying summary of significant accounting policies, restated notes to accounts and notes on adjustments for restated summary financial information (Annexure IV) are an integral part of this statement.

**ANNEXURE – IV  
SUMMARY STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES & NOTES TO  
RESTATED SUMMARY STATEMENTS**

**COMPANY OVERVIEW**

Arabian Petroleum Limited (“the company”) was originally incorporated in name of Arabian Petroleum Private Limited in 2009 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai. Subsequently, the Company was converted into a Public Limited Company and consequently the name of our Company was changed from “Arabian Petroleum Private Limited” to “Arabian Petroleum Limited” vide a fresh Certificate of Incorporation dated December 16, 2011 issued by the Registrar of Companies, Maharashtra, Mumbai. The Company carries on the business of manufacturing wide range of Lubricants including Specialty Oils, Coolants etc.

**I. SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PREPARATION OF FINANCIAL STATEMENT**

The Restated Summary Statement of Assets and Liabilities of the Company as on December 31, 2021, March 31, 2021, March 31, 2020 and March 31, 2019 and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the same period mentioned above and the annexure thereto (collectively, the “Restated Financial Statements” or “Restated Summary Statements”) have been extracted by the management from the Financial Statements of the Company for the period ended on December 31, 2021, and for the year ended March 31, 2021, March 31, 2020 and March 31, 2019

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act. The accounting policies adopted in the preparation of financial statements have been consistently applied. All assets and liabilities have been classified as current or non-current as per the company’s normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of operations and time difference between the provision of services and realization of cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**B. USE OF ESTIMATES**

The preparation of financial statements is in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

**C. ACCOUNTING CONVENTION**

The company follows the mercantile system of accounting, recognizing income and expenditure on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting policies not referred to specifically otherwise, are consistent with the generally accepted accounting principles.

The following significant accounting policies are adopted in the preparation and presentation of these financial statements:

**1. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

**Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed to the buyer. Sales are disclosed net of Goods and Services Tax, trade discounts and returns, as applicable.

#### **Other Incomes**

Other incomes are accounted for on accrual basis except when the recovery is uncertain, it is accounted for on receipt basis.

#### **Interest Income**

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable."

### **2. Property, plant & equipment**

- a) Property, plant and equipment are stated as per Cost Model i.e., at cost less accumulated depreciation and impairment, if any;
- b) Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by the management;
- c) Subsequent expenditures relating to property, plant and equipment are capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Repairs & maintenance costs are recognized in the Statement of profit & Loss when incurred;
- d) The cost and related accumulated depreciated are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit or Loss. Assets to be disposed of are reported at the lower of the carrying value or the fair value less cost to sell;
- e) The Company depreciates property, plant and equipment pro-rata to the extent of depreciable amount on Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.
- f) Depreciation methods, useful lives, and residual values are reviewed periodically, including at each financial year end;
- g) The adjustment for change in depreciation after the introduction of Companies act, 2013 has been done in the financial statements of FY 14-15.
- h) The management has decided to write off 100% depreciation on all its Tangible as well as Intangible Fixed Assets costing up to Rupees 20,000.

### **3. IMPAIRMENT**

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized wherever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### **4. INVENTORIES**

Inventories are valued after providing for obsolescence, as follows:

- a) Raw Materials, Stores & Spare parts and Packing Material- Lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a Weighted Average Method basis.
- b) Finished goods and Stock-in-Trade-Lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a Weighted Average Method basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **5. RETIREMENT BENEFITS & OTHER EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company's contribution to Provident Fund and Employees State Insurance Scheme is determined based on a fixed percentage of the eligible employees' salary and charged to the Statement of Profit and Loss on accrual basis.

## **6. FOREIGN EXCHANGE TRANSACTIONS**

Foreign-currency denominated monetary assets and liabilities if any are translated at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from the transactions relating to purchase of current assets like Raw Material etc. are included in the Statement of Profit and Loss, however the gains or losses if any resulting from purchase of Fixed Assets are reduced or added to the cost of the relevant fixed assets as the case may be. Revenue, expense and cash-flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction.

## **7. CASH FLOW STATEMENT**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non- cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities are segregated.

## **8. BORROWING COSTS**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Costs incurred in raising funds are amortized equally over the period for which the funds are acquired. All other borrowing costs are charged to profit and loss account.

## **9. INCOME TAX**

The accounting treatment for the Income Tax in respect of the Company's income is based on the Accounting Standard on 'Accounting for Taxes on Income' (AS-22). The provision made for Income Tax in Accounts comprises both, the current tax and deferred tax. Provision for current tax is made on the basis of Minimum alternative tax (MAT) for the current accounting year in accordance with the Provisions of Section 115JB of The Income Tax Act, 1961.

Deferred tax is recognized for all timing differences; being the differences between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Such deferred tax is quantified using the tax rates and laws enacted or substantively enacted as on

the Balance Sheet date. The carrying amount of deferred tax asset/liability is reviewed at each Balance Sheet date and consequential adjustments are carried out.

#### 10. EARNINGS PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

#### 11. PROVISIONS AND CONTINGENT LIABILITIES

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the likely future outflow of economic benefits required to settle the obligation at the reporting date.

Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

#### 12. CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

#### 13. SEGMENT REPORTING

Segment reporting is not applicable to the Company.

#### 14. EMPLOYEE BENEFITS

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits during the restated financials period. The disclosure as envisaged under the Accounting Standard is provided hereunder:

Particulars	As at December 31, 2021	2020-21	2019-20	2018-19
Present value of obligations at the end of the Period	57.25	39.51	32.29	21.54
Fair Value of Plan Assets at the end of the Period	(28.55)	(27.96)	(12.51)	-
<b>Net Liability Recognized in Balance Sheet and related analysis</b>	<b>28.70</b>	<b>11.55</b>	<b>19.78</b>	<b>21.54</b>
Current Service Cost	8.74	7.80	7.55	21.54
Interest on Defined Benefit Obligation	2.08	2.28	1.67	-
Expected Return on Plan Assets	(1.47)	(1.40)	(0.49)	-
Net Actuarial Losses / (Gains) Recognized in Year	7.80	(2.22)	2.01	-

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Particulars	As at December 31, 2021	2020-21	2019-20	2018-19
<b>Expenses to be recognized in the statement of profit and loss accounts</b>	<b>17.15</b>	<b>6.45</b>	<b>10.75</b>	<b>21.54</b>
Present value of obligation as at the beginning of the year/period	39.51	32.29	21.54	-
Interest cost	2.08	2.28	1.67	-
Service cost	8.74	7.80	7.55	21.54
Actuarial Losses/(Gains)	7.41	(2.86)	1.52	-
Benefits Paid	0	0	0	0
<b>Defined benefit obligation as at the end of the year/period</b>	<b>57.25</b>	<b>39.51</b>	<b>32.29</b>	<b>21.54</b>
Benefit type:				
Retirement Age:	58 years	58 years	58 years	58 years
Vesting Period:	5 years	5 years	5 years	5 years
Future Salary Rise:	7.00%P.A	7.00%P.A	7.00%P.A	7.00%P.A
Discount rate per annum:	7.34 %P.A	7.06%P.A	7.07%P.A	7.77%P.A
Withdrawal Rate:	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A
Mortality Rate:	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate	IALM 2012-14 Ultimate

**II. NOTES TO RESTATED SUMMARY STATEMENTS:**

The financial statements for the year ended on 31 December 2021, March 2021, 2020 and 2019 respectively are prepared as per Schedule III of the Companies Act, 2013:-

**1. Contingent liabilities and commitments (to the extent not provided for)**

A disclosure for a contingent liability is also made in the notes to restated financial restatements (Note Y) when there is a possible obligation that may, require an outflow of the Company's resources.

**2. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. The Company has appropriately disclosed the same as required by Schedule III to the Companies Act, 2013.

3. Related party transactions are already reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Note Z of the Restated financial statements.

**4. Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year is as under**

(Rs. In Lakhs)

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Opening Balance (A)</b>				
Opening Balance of Deferred Tax (Asset) / Liability	(12.03)	(10.61)	(15.74)	(8.78)
<b>Closing Balances (B)</b>				
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	5.26	(3.50)	4.69	(0.97)
(DTA) / DTL on account of gratuity provision	(4.32)	2.07	0.44	(5.99)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	<b>(11.08)</b>	<b>(12.03)</b>	<b>(10.61)</b>	<b>(15.74)</b>
<b>Current Year Provision (B-A)</b>	<b>0.95</b>	<b>(1.42)</b>	<b>5.14</b>	<b>(6.96)</b>

**ARABIAN PETROLEUM LIMITED****5. Directors' Remuneration***(Rs. In Lakhs)*

Particulars	For the period ended 31-12-21	2020-21	2019-20	2018-19
Hemant Dalsukhrai Mehta	52.83	50.70	30.49	24.75
Darshana Hemant Mehta	17.22	14.55	7.30	7.30
Manan Hemant Mehta	52.83	50.70	30.49	24.13
Dharman Manoj Mehta	29.00	30.56	11.28	11.12

**6. Auditors' Remuneration***(Rs. In Lakhs)*

Particulars	For the period ended 31-12-21	For the Year Ended		
		2020-21	2019-20	2018-19
a. As Auditors				
Statutory & Tax Audit Fees	2.00	5.11	1.5	1.65
<b>Total</b>	<b>2.00</b>	<b>5.11</b>	<b>1.5</b>	<b>1.65</b>

**7. Earnings Per Share***(Rs. In Lakhs)*

Particulars	For the period ended 31-12-21	For the Year Ended		
		2020-21	2019-20	2018-19
A. Number of Shares at the beginning of the year	2,00,000	2,00,000	2,00,000	2,00,000
B. Total Number of equity shares outstanding at the end of the year	20,00,000*	2,00,000	2,00,000	2,00,000
C. Weighted average number of equity shares outstanding during the year	80,00,000	80,00,000	80,00,000	80,00,000
D. Net profit after tax available for equity shareholders (excluding exceptional and extraordinary items) (as restated)	343.49	287.11	281.23	128.37
E. Basic and Diluted earnings per share (Rs.) (D/C)	4.29	3.59	3.52	1.60

\*Pursuant to sub division of shares vide special resolution dated November 15, 2021 the face value of equity shares changed from Rs. 100/- per share to Rs. 10/- per share and accordingly the number of shares at the end of December 31, 2021 is 20,00,000.

8. Figures have been rearranged and regrouped wherever practicable and considered necessary.
9. The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
10. The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.

**11. Employee benefits**

Company has made provision for gratuity as per the requirements of AS-15(Employee Benefits).

**12. Realizations**

In the opinion of the Board and to the best of its knowledge and belief, the value on realization of current assets and loans and advances are approximately of the same value as stated.

**13. Contractual liabilities**

## **ARABIAN PETROLEUM LIMITED**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

### **14. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest lacs. Figures in brackets indicate negative values.

### **15. Foreign Currency Earnings and Expenditure**

- The company does not have any Foreign currency earning exposure.
- Details of Expenditures in Foreign currency:-

(Rs. In Lakhs)

Particulars	For the period ended 31-12-21	For the Year Ended		
		2020-21	2019-20	2018-19
Purchase of Raw materials/ Traded Goods	832.27	393.12	-	-

### **16. Impact of Audit Qualifications/Observations in Statutory Auditor's Report**

The Audited Financial Statements of the Company did not include any qualifications in the Audit Reports on the financial statements of the Company.

### **17. Material Adjustments**

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Schedule VI and Accounting Standards.

Statement of Adjustments in the financial statements:

(Rs. In Lakhs)

Adjustments	For the period ended December 31, 2021	As at March 31,		
		2021	2020	2019
Net Profit/(Loss) after Tax as per Audited Profit & Loss Account	343.30	281.38	279.91	143.92
(Short)/Excess Provision for Gratuity	-	8.23	1.76	(21.54)
(Short)/Excess Provision for Deferred Tax Assets	-	(2.07)	(0.44)	5.99
<b>Net Adjustment in Profit and Loss Account</b>	<b>-</b>	<b>6.16</b>	<b>1.32</b>	<b>(15.55)</b>
<b>Net Profit After Tax as per Restated Accounts</b>	<b>343.94</b>	<b>287.54</b>	<b>281.23</b>	<b>128.37</b>

The reconciliation of Equity and Reserves as per audited results and the Equity and Reserves as per Restated Accounts is presented below:-

#### **A. Equity Share Capital**

(Rs. In Lakhs)

Particulars	For the period ended 31-12-21	2020-21	2019-20	2018-19
<b>Paid Up Equity Share Capital (Audited)</b>	200	200	200	200
Changes During Restatement	-	-	-	-
<b>Paid Up Equity Share Capital (Restated)</b>	200	200	200	200

#### **B. Surplus in Profit and Loss account**

(Rs. In Lakhs)

Particulars	For the period ended 31-12-21	2020-21	2019-20	2018-19
Surplus in Profit and Loss account	343.94	281.38	279.91	143.92

**ARABIAN PETROLEUM LIMITED**

(Audited)				
<b>Net Incremental/ Decremental Adjustment in Profit and Loss Account as mentioned below</b>	-	<b>6.16</b>	<b>1.32</b>	<b>(15.55)</b>
Adjustment for Provision of Gratuity	-	8.23	1.76	(21.54)
Adjustment for Deferred Tax Liability/Assets	-	(2.07)	(0.44)	5.99
<b>Surplus in Profit and Loss account (Restated)</b>	<b>343.94</b>	<b>287.54</b>	<b>281.23</b>	<b>128.37</b>

**NOTES ON ADJUSTMENTS****1. Adjustment of Gratuity**

Adjustment of Gratuity is on account of restated provision for gratuity as per the requirements of AS 15.

**2. Adjustment of Deferred Tax Provision**

Adjustment of deferred tax provision [being deferred tax (asset) / liability] is on account of some restated temporary differences being gratuity, restated closing WDV's as per books and as per income tax act.

**III. CHANGES IN ACCOUNTING POLICIES IN THE PERIODS/YEARS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies adopted by the Company.

**NOTE – A**  
**RESTATED STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Rs. In lakhs)

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
Equity shares of Rs.100 each	-	2,00,000	2,00,000	2,00,000
Equity shares of Rs.10 each	20,00,000	-	-	-
Equity Share Capital (Rs. In lakhs)	200	200	200	200
<b>Issued, Subscribed and Paid up Share Capital</b>				
Equity Shares of Rs. 100 each fully paid up	-	2,00,000	2,00,000	2,00,000
Equity Shares of Rs. 10 each fully paid up	20,00,000	-	-	-
Equity Share Capital (Rs. In lakhs)	200	200	200	200
<b>Total</b>	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
<b>Reserves and Surplus</b>				
Securities Premium	13.50	13.50	13.50	13.50
<b>Surplus in Profit and Loss account</b>				
Balance as per the last financial statements	1,088.48	800.94	519.71	391.34
Less: Adjustments for Provision for Gratuity				
Profit for the Year	343.30	287.54	281.23	128.37
Less: Issue of Bonus Shares	-	-	-	-
Less: Prior Period Tax				
<b>Balance as at the end of Financial Year</b>	<b>1,445.28</b>	<b>1,101.98</b>	<b>814.44</b>	<b>533.21</b>

**Notes:**

1. Terms/rights attached to equity shares:
  - i. The company has only one class of shares referred to as equity shares having a par value of Rs.10/-. Each holder of equity shares is entitled to one vote per share
  - ii. In the event of liquidation of the Company, the holders of equity shares shall be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts. The amount distributed will be in proportion to the number of equity shares held by the shareholders.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The company has sub divided the face value of equity shares from Rs 100/- to Rs 10/- per share by a special resolution dated 15th November, 2021.
4. Company does not have any Revaluation Reserve.
5. The reconciliation of the number of Equity shares outstanding as at: -

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Number of shares at the beginning	2,00,000	2,00,000	2,00,000	2,00,000
Add: Bonus Share Issued	-	-	-	-
Add: Fresh Issue of shares	-	-	-	-
Number of shares at the end	20,00,000*	2,00,000	2,00,000	2,00,000

\*Pursuant to sub division of shares vide special resolution dated November 15, 2021 the face value of equity shares changed from Rs. 100/- per share to Rs. 10/- per share and accordingly the number of shares at the end of December 31, 2021 is 20,00,000.

6. The detail of shareholders holding more than 5% of Shares: -

Particulars	As at (No. of Shares)			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Name of Shareholders</b>				
Darshana Hemant Mehta	7,52,860	75,286	75,286	75,286
Manan Hemant Mehta	6,29,340	62,934	62,934	62,934
Hemant Dalsukhrai Mehta	5,42,800	54,280	54,280	54,280

**NOTE – B**  
**RESTATED STATEMENT OF LONG TERM BORROWINGS**

*(Rs. In Lakhs)*

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Secured:</b>				
<b>Term loans</b>				
Kotak Mahindra Bank [Term Loan]	20.08	30.12	277.03	-
Kotak Mahindra Bank [Term Loan] (MSME)	117.57	210.82	-	-
Kotak Mahindra Bank [Term Loan] (FCTL)	106.33	158.79	-	63.86
Kotak Mahindra Bank [PCFC]	45.95	-	-	-
<b>Total</b>	<b>289.93</b>	<b>399.73</b>	<b>277.03</b>	<b>63.86</b>

**Notes:**

1. The terms and conditions and other information in respect of Secured Loans are given in NOTE-B (A)

**NOTE B (a)**  
**RESTATED STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanctioned Amount	Rate of interest	Primary & Collateral Security	Outstanding amount as per Books as on				
					Re-Payment Schedule	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Kotak Mahindra Bank	Foreign Currency Term Loan	120.00	As per bank policy - LIBOR + Bank Rate	<p><b>Primary:</b> First Charge on existing and future, current and tangible moveable assets.</p> <p><b>Collateral Security:</b> Plot 14-B ,Morivali M.I.D.C,Opp. Positive Packing, Ambernath (W), Thane, Maharashtra-421505 owned by the Arabian Petroleum Limited.</p>	Till February2020	-	-	-	63.86
Kotak Mahindra Bank	Term Loan	350.00	<p>MCLR + 1.10% p.a.</p> <p>Present MCLR rate is 8.60% p.a.</p> <p>Effective interest rate is 9.70% p.a</p>	<p><b>Primary:</b> Extension of first and exclusive hypothecation charge on entire, present and future, current &amp; movable fixed assets of the company.</p> <p><b>Collateral Security:</b> a) Plot 14-B ,Morivali M.I.D.C,Opp. Positive Packing Ambernath (W), dist. Thane, Maharashtra-421505 owned by the Arabian Petroleum Limited.(old). b) Plot No. 14 B/1, M.I.D.C, Morivali, Ambernath (W),dist. Thane,owned by the Arabian Petroleum Limited. (New)</p>	60 monthly instalments (including 3 months moratorium)	20.08	30.12	277.03	-
Kotak Mahindra Bank	Foreign Currency Term Loan	328.00	3.60%	<p><b>Primary:</b> <b>For Hypothecation</b> First and exclusive hypothecation charge on</p>	47 monthly instalments of \$7743.33 (fixed	106.33	158.79	-	-

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				<p>all existing and future receivable/current asset/moveable assets of the borrower/third party</p> <p><b>Collateral Security:</b>  <b>a)</b> Plot 14-B , Morivali M.I.D.C,Opp. Positive Packing Ambernath (W), dist. Thane, Maharashtra-421505 owned by the Arabian Petroleum Limited.(old).  <b>b)</b> Plot No.14B/1, M.I.D.C, Morivali, Ambernath (W), dist.Thane, owned by the Arabian Petroleum Limited. (New)</p>	principal component)				
Kotak Mahindra Bank (MSME) (ECLGS scheme)	Term Loan -Working Capital	210.82	8%	<p><b>Primary:</b>  The securities/assets charged (both present and future) in favour of the bank shall continue to be valid and subsisting for the existing facilities.</p> <p><b>Collateral Security:</b>  <b>a)</b>Exclusive hypothecation charge on all existing and future current assets of the borrower.  <b>b)</b> Exclusive on all existing and future moveable fixed assets of the borrower.  <b>c)</b> Exclusive first mortgage charge on <b>immovable properties -</b>  <b>1</b> .Plot 14-B, Morivali M.I.D.C,Opp. Positive Packing, Ambernath (W), dist. Thane, Maharashtra-421505 owned by the Arabian Petroleum Limited.  <b>2.</b> Plot No. 14B/1,M.I.D.C, Morivali, Ambernath (W), dist.Thane, owned by the Arabian Petroleum Limited.</p>	48 months (including the 12 months moratorium period)	117.57	210.82	-	-

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Kotak Mahindra Bank	Term Loan (PCFC)	200.00	As per MCLR	For Hypothecation First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower	90 days	45.95	-	-	-
TOTAL						289.93	399.73	277.03	63.86

**Personal Guarantee of:**

2. Mr. Hemant Dalsukhrai Mehta
3. Mrs. Darshana Hemant Mehta
4. Mr. Manan Hemant Mehta

**Notes:**

1. Kotak Mahindra Bank - Term Loan has been converted to Kotak Mahindra Bank - (Foreign Currency Term Loan) in FY 20-21.

**NOTE- C**  
**RESTATED STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Rs. In Lakhs)

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Opening Balance (A)</b>				
Opening Balance of Deferred Tax (Asset) / Liability	(12.03)	(10.61)	(15.74)	(8.78)
<b>Closing Balances (B)</b>				
(DTA) / DTL on Timing Difference in Depreciation as per Companies Act and Income Tax Act.	5.26	(3.50)	4.69	(0.97)
(DTA) / DTL on account of gratuity provision	(4.32)	2.07	0.44	(5.99)
<b>Closing Balance of Deferred Tax (Asset) / Liability (B)</b>	(11.08)	(12.03)	(10.61)	(15.74)
<b>Current Year Provision (B-A)</b>	0.95	(1.42)	5.14	(6.96)

**NOTE – D**  
**RESTATED STATEMENT OF LONG TERM PROVISIONS**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Long Term Provisions:</b>				
<b>Provision for Employee Benefits</b>				
Provision for Gratuity	13.88	0.65	8.86	19.97
<b>Total</b>	<b>13.88</b>	<b>0.65</b>	<b>8.86</b>	<b>19.97</b>

**NOTE – E**  
**RESTATED STATEMENT OF SHORT TERM BORROWINGS**

(Rs. In Lakhs)

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Secured</b>				
(a) Loan Repayable on Demand				
From Banks				
WCDL	98.96	-	-	-
Bank OD A/C	1,531.98	924.05	887.23	778.50
<b>Sub total (a)</b>	<b>1,630.94</b>	<b>924.05</b>	<b>887.23</b>	<b>778.50</b>
(b) Current maturities of long term debt	149.36	81.49	-	-
<b>Sub total (b)</b>	<b>149.36</b>	<b>81.49</b>	<b>-</b>	<b>-</b>
<b>Unsecured:</b>				
(a) Loans and advances from related parties & shareholders				
From Directors	235.56	792.49	489.44	451.05
<b>Sub-total (c)</b>	<b>235.56</b>	<b>792.49</b>	<b>489.44</b>	<b>451.05</b>
<b>Total (a + b + c)</b>	<b>2015.86</b>	<b>1798.03</b>	<b>1376.67</b>	<b>1229.55</b>

**Notes :**

- The terms and conditions and other information in respect of Secured Loans and Unsecured Loans are given in Note-B (A)

**NOTE E (A)**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

(Rs. In Lakhs)

Name of Lender	Purpose	Rate of Interest	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>From Directors:-</b>						
Hemant Dalsukhrai Mehta	Business Loan	6%	147.21	378.32	218.02	155.02
Darshana Hemant Mehta	Business Loan	6%	88.35	254.10	177.23	189.84
Manan Hemant Mehta	Business Loan	6%	-	132.07	94.19	106.19
Dharman Manoj Mehta	Business Loan	6%	-	28.00	-	-
<b>GRAND TOTAL</b>			<b>235.56</b>	<b>792.49</b>	<b>489.44</b>	<b>451.05</b>

**NOTE – F**  
**RESTATED STATEMENT OF TRADE PAYABLES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Trade Payables</b>				
<b>For Goods &amp; Services</b>				
Micro, Small and Medium Enterprises	439.90	210.45	187.67	117.30
Other than Micro, Small and Medium Enterprises	2,176.53	826.14	424.70	784.45
<b>For Assets</b>	-	-	-	-
Micro, Small and Medium Enterprises	-	-	1.01	0.19
Other than Micro, Small and Medium Enterprises	5.44	-	62.85	10.52
<b>For Expenses</b>	-	-	-	-
Micro, Small and Medium Enterprises	0.53	1.96	0.58	0.52
Other than Micro, Small and Medium Enterprises	170.36	191.77	209.63	41.92
<b>Total</b>	<b>2,792.76</b>	<b>1,230.32</b>	<b>886.44</b>	<b>954.91</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**NOTE – G**  
**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Other Current Liabilities</b>				
Advanced From Customers				
- Unsecured and considered Good	51.57	52.15	61.90	30.28
Deposits	29.60	8.50	15.59	26.59
<u>Duties and Taxes</u>	-	-	-	-
- TDS Payable	8.94	37.37	24.47	6.87
- GST Payable	-	-	-	4.81
Other Current Liabilities	8.56	-	13.39	46.29
<b>Total</b>	<b>98.67</b>	<b>98.02</b>	<b>115.35</b>	<b>114.84</b>

**NOTE – H  
RESTATED STATEMENT OF SHORT TERM PROVISIONS***(Rs. In Lakhs)*

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Short Term Provisions</b>				
<b>Provision for Employee Benefits</b>				
Salary and Reimbursements	69.73	123.21	27.19	21.73
Contribution to PF	3.92	2.19	2.11	1.49
ESIC Contribution	0.15	0.07	0.08	0.16
Gratuity	14.82	10.90	10.92	1.58
<b>Others</b>				
Provision for Income Tax	47.51	55.06	-	-
Audit Fees Payable	2.00	1.50	1.50	3.29
Expense - Payable	76.14	9.99	6.02	6.59
Other Provisions	-	0.23	0.23	0.09
<b>Total</b>	<b>214.26</b>	<b>203.16</b>	<b>48.06</b>	<b>34.92</b>

**NOTE – I**  
**RESTATED STATEMENT OF FIXED ASSETS**

(Rs. In Lakhs)

<b>FY 2018-19</b>										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-18	Additions during the year	Deletions during the year	As at 31-Mar-19	Upto 01-Apr-18	During the year	Deletion during the Year	Total upto 31-Mar-19	As at 31-Mar-19	As at 31-Mar-18
<b><u>Tangible Asset</u></b>										
Land	-	102.22	-	102.22	-	-	-	-	102.22	-
Building	162.51	22.10	-	184.62	22.44	6.82	-	29.26	155.35	140.08
Computers And Printers	6.47	1.45	-	7.91	5.36	1.05	-	6.41	1.51	1.10
Furniture And Fixture	73.31	0.12	-	73.43	53.81	1.78	-	55.59	17.85	6.74
Laboratory Equipments	29.41	10.14	-	39.55	17.41	3.69	-	21.10	18.45	12.51
Office Equipments	88.88	3.88	0.51	92.25	22.81	3.52	-	26.33	65.92	6.11
Plant & Equipment	350.66	3.89	-	354.55	142.90	49.90	-	192.80	161.75	279.97
Vehicle	3.94	1.43	-	5.37	1.21	0.90	-	2.10	3.27	2.73
<b>Sub - total (a)</b>	<b>715.19</b>	<b>145.23</b>	<b>0.51</b>	<b>859.90</b>	<b>265.94</b>	<b>67.65</b>	<b>-</b>	<b>333.59</b>	<b>526.31</b>	<b>449.25</b>
<b><u>Intangible Asset</u></b>										
Software	2.04	-	-	2.04	0.45	0.99	-	1.44	0.60	1.59
<b>Sub - total (b)</b>	<b>2.04</b>	<b>-</b>	<b>-</b>	<b>2.04</b>	<b>0.45</b>	<b>0.99</b>	<b>-</b>	<b>1.44</b>	<b>0.60</b>	<b>1.59</b>
Capital WIP (c)	-	-	-	-	-	-	-	-	-	-
<b>Sub - total (c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Sub - total (a + b + c)</b>	<b>717.23</b>	<b>145.23</b>	<b>0.51</b>	<b>861.95</b>	<b>266.39</b>	<b>68.64</b>	<b>-</b>	<b>335.03</b>	<b>526.92</b>	<b>450.84</b>

(Rs. In Lakhs)

<b>FY 2019-20</b>										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-19	Additions during the year	Deletions during the year	As at 31-Mar-20	Upto 31-Mar-19	During the year	Deletion during the year	Total upto 31-Mar-20	As at 31-Mar-20	As at 31-Mar-19
<b><u>Tangible Asset</u></b>										
Land	102.22	6.66	-	108.87	-	-	-	-	108.87	102.22
Building	184.62	100.25	-	284.87	29.26	7.44	-	36.70	248.16	155.35
Computers And Printers	7.91	4.23	-	12.15	6.41	1.99	-	8.39	3.76	1.51
Furniture And Fixture	73.43	0.63	-	74.07	55.59	1.32	-	56.91	17.16	17.85
Laboratory Equipments	39.55	2.76	-	42.31	21.10	5.47	-	26.57	15.73	18.45
Office Equipments	92.25	3.03	-	95.28	26.33	3.55	-	29.89	65.40	65.92

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Plant & Equipment	354.55	366.55	-	721.10	192.80	50.11	-	242.91	478.19	161.75
Vehicle	5.37	8.69	-	14.05	2.10	1.38	-	3.48	10.57	3.27
<b>Sub - total (a)</b>	<b>859.90</b>	<b>492.79</b>	<b>-</b>	<b>1,352.70</b>	<b>333.59</b>	<b>71.26</b>	<b>-</b>	<b>404.85</b>	<b>947.84</b>	<b>526.31</b>
<b>Intangible Asset</b>										
Software	2.04	2.90	-	4.94	1.44	1.46	-	2.90	2.04	0.60
<b>Sub - total (b)</b>	<b>2.04</b>	<b>2.90</b>	<b>-</b>	<b>4.94</b>	<b>1.44</b>	<b>1.46</b>	<b>-</b>	<b>2.90</b>	<b>2.04</b>	<b>0.60</b>
Capital WIP (c)	-	-	-	-	-	-	-	-	-	-
<b>Sub - total (c)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Sub - total (a + b + c)</b>	<b>861.95</b>	<b>495.69</b>	<b>-</b>	<b>1,357.63</b>	<b>335.03</b>	<b>72.72</b>	<b>-</b>	<b>407.75</b>	<b>949.88</b>	<b>526.92</b>

(Rs. In Lakhs)

FY 2020-21										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-20	Additions during the year	Deletions during the year	As at 31-Mar-21	Upto 01-Apr-20	During the Period	Deletion during the period	Total upto 31-Mar-21	As at 31-Mar-21	As at 31-Mar-20
<b>Intangible Asset</b>										
Land	108.87	-	-	108.87	-	-	-	-	108.87	108.87
Building	284.87	26.92	-	311.78	36.70	12.58	-	49.28	262.50	248.16
Computers And Printers	12.15	3.13	-	15.28	8.39	3.17	-	11.56	3.71	3.76
Furniture & Fixture	74.07	16.83	-	90.90	56.91	6.09	-	63.00	27.90	17.16
Labotary Equipments	42.31	2.53	-	44.84	26.57	4.48	-	31.05	13.78	15.73
Office Equipment	95.28	9.94	-	105.22	29.89	19.35	-	49.23	55.99	65.40
Plant & Equipment	721.10	87.58	-	808.68	242.91	88.65	-	331.56	477.12	478.19
Vehicles	14.05	0.92	-	14.98	3.48	2.83	-	6.31	8.67	10.57
<b>Sub - total (a)</b>	<b>1,352.70</b>	<b>147.85</b>	<b>-</b>	<b>1,500.54</b>	<b>404.85</b>	<b>137.15</b>	<b>-</b>	<b>542.00</b>	<b>958.54</b>	<b>947.84</b>
<b>Intangible Asset</b>										
Software	4.94	1.39	-	6.33	2.90	1.45	-	4.34	1.99	2.04
<b>Sub - total (b)</b>	<b>4.94</b>	<b>1.39</b>	<b>-</b>	<b>6.33</b>	<b>2.90</b>	<b>1.45</b>	<b>-</b>	<b>4.34</b>	<b>1.99</b>	<b>2.04</b>
Capital WIP	-	2.02	-	2.02	-	-	-	-	2.02	-
<b>Sub - total (c)</b>	<b>-</b>	<b>2.02</b>	<b>-</b>	<b>2.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.02</b>	<b>-</b>
<b>Total Sub - total (a + b + c)</b>	<b>1,357.63</b>	<b>151.26</b>	<b>-</b>	<b>1,508.89</b>	<b>407.75</b>	<b>138.59</b>	<b>-</b>	<b>546.34</b>	<b>962.54</b>	<b>949.88</b>

(Rs. In Lakhs)

Period Ending December 31, 2021										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01-	Additions	Deletions	As at 31-	Upto 01-	During the	Deletion	Total upto	As at 31-	As at 31-

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	Apr-21	during the year	during the year	Dec-21	Apr-21	Period	during the period	31-Dec-21	Dec-21	Mar-21
<b>Tangible Asset</b>										
Land	108.87	37.24	-	146.12	-	-	-	-	146.12	108.87
Building	311.78	20.86	-	332.64	49.28	7.32	-	56.61	276.03	262.50
Computers And Printers	15.28	11.02	-	26.29	11.56	2.58	-	14.14	12.16	3.71
Furniture & Fixture	90.90	6.64	-	97.54	63.00	4.45	-	67.45	30.09	27.90
Labotary Equipments	44.84	-	-	44.84	31.05	2.13	-	33.19	11.65	13.78
Office Equipment	105.22	10.30	-	115.52	49.23	10.34	-	59.57	55.95	55.99
Plant & Equipment	808.68	37.61	-	846.29	331.56	49.46	-	381.01	465.28	477.12
Vehicles	14.98	-	-	14.98	6.31	1.27	-	7.58	7.39	8.67
<b>Sub - total (a)</b>	<b>1,500.54</b>	<b>123.67</b>	<b>-</b>	<b>1,624.21</b>	<b>542.00</b>	<b>77.55</b>	<b>-</b>	<b>619.55</b>	<b>1,004.67</b>	<b>958.54</b>
<b>Intangible Asset</b>										
Software	6.33	-	-	6.33	4.34	0.79	-	5.13	1.20	1.99
<b>Sub - total (b)</b>	<b>6.33</b>	<b>-</b>	<b>-</b>	<b>6.33</b>	<b>4.34</b>	<b>0.79</b>	<b>-</b>	<b>5.13</b>	<b>1.20</b>	<b>1.99</b>
Capital WIP	2.02	-	2.02	-	-	-	-	-	-	2.02
<b>Sub - total (c)</b>	<b>2.02</b>	<b>-</b>	<b>2.02</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.02</b>
<b>Total Sub - total (a + b+ c)</b>	<b>1,508.89</b>	<b>123.67</b>	<b>2.02</b>	<b>1,630.54</b>	<b>546.34</b>	<b>78.33</b>	<b>-</b>	<b>624.68</b>	<b>1,005.87</b>	<b>962.54</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE-J**  
**RESTATED STATEMENT OF TRADE RECEIVABLES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Trade Receivables - Unsecured Considered good</b>				
<u>Trade receivables outstanding for a period exceeding six months from the date they are due for payment</u>				
Dues From Related parties/Common Group Company, etc	14.37	0.95	0.26	-
Others	-	139.06	170.24	167.00
<b>Sub Total (A)</b>	<b>14.37</b>	<b>140.01</b>	<b>170.50</b>	<b>167.00</b>
<u>Outstanding for a period not exceeding 6 months (Unsecured and considered Good)</u>				
Dues From Related parties/Common Group Company, etc	25.09	47.47	9.33	28.34
Others	3,418.81	2,094.02	1,539.59	1,554.02
<b>Sub Total (B)</b>	<b>3,443.90</b>	<b>2,141.49</b>	<b>1,548.92</b>	<b>1,582.35</b>
<b>Total (A+B)</b>	<b>3,458.28</b>	<b>2,281.50</b>	<b>1,719.41</b>	<b>1,749.35</b>

**Notes**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
- List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE-K**  
**RESTATED STATEMENT OF CASH & CASH EQUIVALENTS**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Cash and Cash Equivalents:</b> <b>(as per Accounting Standard 3: Cash flow Statements)</b>				
Cash on Hand	8.76	6.26	8.26	3.99
Balances with Banks in Current Accounts	14.86	10.84	86.28	9.98
Fixed Deposit For Bank Gurantee (Margin Money)	54.18	3.92	10.35	9.56
Other Bank Balances	-	0.00	-	-
<b>Total</b>	<b>77.80</b>	<b>21.02</b>	<b>104.89</b>	<b>23.53</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE-L**  
**RESTATED STATEMENT OF NON - CURRENT INVESTMENT**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Other Investments</b>				
Investments in Mutual Funds				
Axis Hybrid Fund	-	-	2.00	2.00
<b>Total</b>			<b>2.00</b>	<b>2.00</b>

**NOTE – M**  
**RESTATED STATEMENT OF LONG TERM LOANS AND ADVANCES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Security Deposits	4.57	5.80	5.97	2.99
BSNL - Security Deposit	0.15	0.15	0.15	0.15
AMC - Security Deposit	0.18	0.18	0.18	-
Econship - Security Deposit	0.10	0.10	-	-
CDSL - Security Deposits	0.10	0.10	0.10	-
Office - Security Deposit	5.00	-	-	-
<b>Total</b>	<b>10.10</b>	<b>6.33</b>	<b>6.40</b>	<b>3.13</b>

**NOTE – N**  
**RESTATED STATEMENT OF INVENTORIES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
a. Raw materials	1,003.68	1,159.85	534.56	349.50
b. Work in progress	470.75	148.44	113.29	100.07
c. Finished goods	807.88	256.92	157.76	244.61
<b>Total</b>	<b>2,282.31</b>	<b>1,565.21</b>	<b>805.61</b>	<b>694.18</b>

**NOTE –O**  
**RESTATED STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Unsecured, Considered Good unless otherwise stated</b>				
Loan and advance to Employees (Unsecured and considered good)	43.04	48.65	37.19	36.50
<b>Total</b>	<b>43.04</b>	<b>48.65</b>	<b>37.19</b>	<b>36.50</b>

**Notes:**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**NOTE- P**  
**RESTATED STATEMENT OF OTHER CURRENT ASSETS**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Fixed Deposit</b>				
Fixed Deposit with Banks	1.23	1.23	1.13	-
<b>Deposits</b>				
Deposit - MSEDCL	8.17	8.17	8.17	8.17
Earnest Money Deposits	1.41	0.33	1.10	1.01
Deposit - Water Charges (MIDC)	0.15	0.15	0.15	-
Performance BG - ISRO	-	-	0.49	-
Deposit- Caution Money -Gem	0.25	0.25	-	-
Deposit - Laxmi Sagar Developers	0.01	0.01	-	-
Deposit - Mumbai Waste Management Pvt Ltd	0.50	-	-	-
<b>Income Tax Refund</b>				
FY 2017-18 (AY 2018-19)	-	-	-	22.41
FY 2018-19 (AY 2019-20)	-	-	29.49	29.49
FY 2019-20 (AY 2020-21)	2.39	2.39	2.39	-
<b>Others</b>				
Loans & Advances (Asset)	0.25	0.25	0.25	1.05
Interest Receivable	1.71	1.97	1.71	0.64
GST Receivable	135.99	92.80	45.28	4.90
VAT/ CST Receivable	0.71	0.71	0.71	32.21
Export Drawback Duty Receivable	10.52	10.52	-	-
Prepaid Expenses	16.04	15.52	-	-
Rent Receivable	2.86	0.29	-	-
TCS RECEIVABLE (FY 2021-22)	-	0.02	-	-
<b>Total</b>	<b>182.18</b>	<b>134.59</b>	<b>90.87</b>	<b>99.88</b>

**Notes:**

- The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.

**NOTE- Q**  
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS**

(Rs. In Lakhs)

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
(i) Turnover of products traded/Manufactured in by the issuer	14,015.25	10,998.70	8,392.40	7,757.50
<b>Total</b>	<b>14,015.25</b>	<b>10,998.70</b>	<b>8,392.40</b>	<b>7,757.50</b>

**NOTE-R**  
**RESTATED STATEMENT OF OTHER INCOME**

(Rs. In Lakhs)

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Export Drawback Received	0.97	10.52	3.31	3.32
Transport Charges ( GST Sales )	-	-	-	0.51
Rate Difference	-	-	-	5.31
Exchange Gain/Loss	30.41	7.93	2.84	-
Quantity Difference	0.58	-	-	-
Govt. Subsidy Received	-	-	-	20.37
CST Tax / Interest Recd.	-	-	0.49	0.52
Rate Difference (P)	-	-	-	0.03
Interest Recd.	0.59	1.00	7.54	1.66
Interest Recd On Fixed Deposit	-	1.32	0.70	2.71
Rent Income	2.57	3.43	3.43	3.43
Misc. Income	0.13	0.0001	0.04	0.01
Capital Gain On Redemption Of Mutual Fund	-	0.48	-	-
Interest on Income Tax Refund	-	1.15	-	-
Insurance Claim Received	-	-	3.07	-
SGS Certification Charges	-	-	0.19	-
<b>Total</b>	<b>35.26</b>	<b>25.83</b>	<b>21.61</b>	<b>37.87</b>

**Note:**

- The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

**NOTE- S**  
**RESTATED STATEMENT OF COST OF MATERIALS CONSUMED**

(Rs. In Lakhs)

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Opening Inventory of Raw Materials	1,159.85	534.56	349.50	423.22
Add : Purchases during the year	12,303.47	9,471.54	6,492.19	6,402.67
Less : Closing Inventory of Raw Materials	(1,003.68)	(1,159.85)	(534.56)	(349.50)
<b>Cost of Raw Materials consumed during the year</b>	<b>12,459.64</b>	<b>8,846.25</b>	<b>6,307.14</b>	<b>6,476.38</b>

**NOTE- T**  
**RESTATED STATEMENT OF CHANGE IN INVENTORIES**

(Rs. In Lakhs)

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Changes in Inventories of Finished Goods</b>				
Opening Stock of Finished Goods	256.92	157.76	244.61	183.10
Less : Closing Stock of Finished Goods	(807.88)	(256.92)	(157.76)	(244.61)
(Increase)/Decrease in Stock	<b>(550.96)</b>	<b>(99.16)</b>	<b>86.85</b>	<b>(61.51)</b>
<b>Changes in Inventories of WIP</b>				
Opening Stock of WIP	148.44	113.29	100.07	108.70
Less : Closing Stock of WIP	(470.75)	(148.44)	(113.29)	(100.07)
(Increase)/Decrease in Stock	<b>(322.31)</b>	<b>(35.15)</b>	<b>(13.22)</b>	<b>8.63</b>
<b>Total</b>	<b>(873.27)</b>	<b>(134.30)</b>	<b>73.62</b>	<b>(52.88)</b>

**NOTE-U**  
**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE**

*(Rs. In Lakhs)*

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Salary and Wages	435.90	419.42	368.73	300.82
Provision for Gratuity	17.15	6.45	10.75	21.54
Contribution to Provident fund and other funds	27.63	30.55	28.54	23.73
Director's Remuneration	151.89	146.51	79.55	71.61
Staff Welfare Expenses	16.17	24.49	19.10	-
<b>Total</b>	<b>648.73</b>	<b>627.42</b>	<b>506.66</b>	<b>417.70</b>

**NOTE-V**  
**RESTATED STATEMENT OF DEPRECIATION & AMORTISATION**

*(Rs. In Lakhs)*

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Depreciation and Amortisation Expenses	78.33	138.59	72.72	68.64
<b>Total</b>	<b>78.33</b>	<b>138.59</b>	<b>72.72</b>	<b>68.64</b>

**NOTE-W**  
**RESTATED STATEMENT OF FINANCE COST**

*(Rs. In Lakhs)*

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Interest expense	112.28	115.86	93.39	68.63
Net Gain/Loss on Forex Transaction and translation	-	-	-	11.13
Bank charges	12.03	6.81	9.04	11.74
<b>Total</b>	<b>124.31</b>	<b>122.67</b>	<b>102.42</b>	<b>91.50</b>

**NOTE –X**  
**RESTATED STATEMENT OF OTHER EXPENSES**

(Rs. In Lakhs)

Particulars	For the Year ended			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
<b>Direct Expenses</b>				
Electricity Charges	21.49	24.47	24.22	17.22
Factory Expenses	35.29	8.23	2.23	2.09
Power & Fuel	17.51	19.31	23.53	23.27
Transport Charges	516.32	463.75	294.31	214.12
Rate Difference (Scrap)	0.38	-	-	-
<b>Indirect Expenses</b>				
Administration Expenses	22.81	19.87	18.48	26.70
CFA Charges	35.53	39.60	23.73	4.64
Commission Expense	113.08	117.89	213.00	128.24
Computers [ Spares ]	3.08	2.84	1.12	1.19
Consulting Charges	15.66	-	10.66	11.44
Conveyance Expenses	24.10	23.72	27.96	15.13
Donation	2.33	3.64	3.85	3.11
Discount	11.57	5.96	19.22	-
Insurance	56.47	26.01	44.69	16.29
Job Work Charges	12.76	-	-	-
Lab Testing Material	4.76	6.12	3.19	3.14
Packing Expenses	38.13	54.34	4.54	3.09
Professional fees	-	-	-	-
a. Auditor	2.00	2.10	1.50	1.65
b. Others	100.67	108.29	80.95	51.62
Rate Difference	-	3.82	1.98	-
Rates & Taxes	-	5.83	4.80	-
Repairs & Maintenance	29.33	34.16	12.23	12.38
Rent	4.25	-	-	-
Royalty Paid	3.29	-	19.51	-
Selling & Distribution Expenses	4.21	14.04	51.66	37.92
Security Charges	9.68	5.93	-	-
Software Expenses	6.44	2.71	3.28	2.56
Spares & Consumables	10.12	8.63	4.39	3.84
Stamp Duty Payments	4.87	-	-	5.52
Tender Fees	1.46	0.05	0.24	0.77
Testing Charges	2.95	1.25	2.29	2.85
Travelling Expenses	16.45	6.93	19.80	13.02
Toll Tax	0.89	1.05	1.15	1.21
Water Charges	1.90	2.16	1.97	1.29
Weight Expenses	0.56	0.73	0.58	0.39
Miscellaneous Expenses	0.02	3.90	3.30	2.65
Excise Duty Payments	-	-	-	7.50
Ineligible Inputs	7.20	-	-	-
Other Expenses	14.38	16.59	50.58	0.53
<b>Total</b>	<b>1,151.95</b>	<b>1,033.92</b>	<b>974.93</b>	<b>615.37</b>

**NOTE-Y**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Rs. In Lakhs)

Particulars	As at			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Contingent liabilities in respect of:				
Claims against the company not acknowledged as debts (Indirect Tax Matters)	-	-	-	-
Bank Guarantees given by the Company	45.10	42.81	42.50	-
<b>Total</b>	<b>45.10</b>	<b>42.81</b>	<b>42.50</b>	<b>-</b>

**Additional Information to The financial statements:-**

**NOTE YA**  
**Other Disclosures as per Schedule-III of the Companies Act, 2013**

A. Value of imports calculated on C.I.F basis by the company during the financial year in respect of :

(Rs. In Lakhs)

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Raw materials/ Traded Goods	832.27	393.12	-	-

B. Expenditure in foreign currency during the financial year on account of royalty, know-how, professional and consultation fees, interest, and other matters;

(Rs. In Lakhs)

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Royalty Expenses	3.29	-	-	-

C. Earnings in foreign exchange

(Rs. In Lakhs)

Particulars	As at 31 December 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
(a) Export of goods calculated on FOB basis	857.82	958.18	550.80	350.35

## NOTE YB

**Disclosures under Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. (as amended)****A. Disclosures under Accounting Standard - 15 (Employee Benefits)**

Accounting Standard 15 on 'Employee Benefits' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

## (a) Defined Contribution Plans:

The Company makes Provident Fund and Superannuation Fund, contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes. The company has recognized the following amounts in the Statement of Profit and Loss for the year.

(Rs. In Lakhs)

Particulars	Half year ended 31 Dec 2021	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Contribution to Provident Fund	24.16	26.55	24.07	18.15
Contribution to ESIC	3.33	3.80	4.28	5.39

## (b) Defined Benefit Plans:

The Company has policy of giving gratuity to its employees who complete period of qualifying service which is 5 years.

The company's plan assets in respect of Gratuity are funded through the Group Scheme of Life Insurance Corporation of India. The scheme provides for payment to vested employees as under:

- On normal retirement / early retirement / withdrawal / resignation: As per the provisions of Payment of Gratuity Act, 1972 with vesting period of 5 years of service.
- On death in service: As per the provisions of Payment of Gratuity Act, 1972 without any vesting period.

Valuation Method	Projected Unit Credit (PUC) method
Discount Rate	6.55 % (Previous Year 6.25%)
Salary Escalation	7% (Previous Year 7%)
Mortality Rate	Indian Assured Lives Mortality (2012-14) Table
Withdrawal Rate	1 % to 20 % depending on age

## Funded status of the plan

(Rs. In Lakhs)

Particulars	31-12-2021	2020-21	2019-20	2018-19
Present value of funded obligations	57.25	39.51	32.29	21.54
Fair value of plan assets	(28.55)	(27.96)	(12.51)	-
Net Liability (Asset)	28.70	11.55	19.78	21.54

## Profit and loss account for the period

(Rs. In Lakhs)

Particulars	31-12-2021	2020-21	2019-20	2018-19
Current service cost	8.74	7.80	7.55	21.54
Interest on obligation	2.08	2.28	1.67	-
Expected return on plan assets	(1.47)	(1.40)	(0.49)	-
Net actuarial loss/(gain)	7.80	(2.22)	2.01	-
Total included in 'Employee Benefit Expense'	17.15	6.45	10.75	21.54

(Rs. In Lakhs)

Particulars	31-12-2021	2020-21	2019-20	2018-19
Loss/(gain) on obligation	7.41	(2.86)	1.52	-

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Loss/(gain) on assets	0.39	0.64	0.49	-
Net actuarial loss/(gain)	7.80	(2.22)	2.01	-

## Reconciliation of defined benefit obligation

*(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Opening value of plan assets	27.96	12.51	-	-
Transfer in/(out) obligation				
Expected return (Interest income of assets)	1.47	1.40	0.49	-
Actuarial gain/(loss)	(0.39)	(0.64)	(0.49)	-
Contributions by employer	-	14.69	12.51	-
Benefits paid	(0.48)	-	-	-
Closing value of plan assets	28.55	27.96	12.51	-

## Composition of the plan assets

*(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Assets Under Insurance Schemes	100%	100%	100%	100%

## Reconciliation of net defined benefit liability

*(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Net opening provision in books of accounts	11.55	19.78	21.54	-
Employee Benefit Expense	17.15	6.45	10.75	21.54
Contributions to plan assets	-	(14.69)	(12.51)	-
Closing provision in books of accounts	28.70	11.55	19.78	21.54

## Principle actuarial assumptions

*(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Discount Rate	7.34%	7.06%	7.07%	7.77%
Expected Return on Plan Assets	7.06%	7.06%	7.77%	0.50%
Salary Growth Rate	7.00%	7.00%	7.00%	7.00%
Withdrawal Rates	5.00%	5.00%	5.00%	5.00%

## Table of experience adjustments

*(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Defined Benefit Obligation	57.25	39.51	32.29	21.54
Plan Assets	28.55	27.96	12.51	-
<b>Surplus/(Deficit)</b>	<b>(28.70)</b>	<b>(11.55)</b>	<b>(19.78)</b>	<b>(21.54)</b>
Experience adjustments on plan liabilities	8.89	(2.90)	-	-
Actuarial loss/(gain) due to change in financial assumptions	(1.48)	0.04	2.74	-
Actuarial loss/ (gain) due to change in demographic assumption	-	-	-	-
Experience adjustments on plan assets	0.39	0.64	-	-
Net actuarial loss/ (gain) for the year	7.80	(2.22)	2.01	-

## (c) Other Long term benefits

The company's long term benefits includes leave encashment at the time of retirement subject to policy of maximum leave accumulation of company. The scheme is not funded. The company has made provision based on actual liability.

**ARABIAN PETROLEUM LIMITED****B. Disclosures under Accounting Standards - 20 (Earnings Per Share)  
Computation of Earnings per share:***(Rs. In Lakhs)*

Particulars	31-12-2021	2020-21	2019-20	2018-19
Profit available to Equity Share holders	343.30	287.54	281.23	128.37
Weighted average number of equity shares for basic EPS (in No.)	20,00,000	2,00,000	2,00,000	2,00,000
Weighted average number of equity shares for diluted EPS (in No.)	80,00,000	80,00,000	80,00,000	80,00,000
Face Value per share	10	100	100	100
Basic Earnings per share	17.17	143.77	140.62	64.18
Diluted Earnings per share	4.29	3.59	3.52	1.60

**NOTE YC  
Other Disclosures****A. Disclosures related to Micro, Small and Medium Enterprises.**

The Company has made payments of dues to Micro, Small and Medium enterprises generally within stipulated period of 45 days as prescribed under Micro, small and Medium Enterprises Development Act.

The details relating to Micro, Small and medium enterprise disclosed as under:

*(Rs. In Lakhs)*

SN	Particulars	As at 31 December, 2021	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
1	The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier at the end of each accounting year	440.44	212.41	189.26	118.01
2	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-	-	-
3	The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-	-	-
4	The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-	-	-
5	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-	-	-

**B. Trade Payable Ageing summary***(Rs. In Lakhs)*

SN	Particulars	Less than 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 December 2021</b>						
(i)	MSME	440.44	-	-	-	<b>440.44</b>
(ii)	Others	2,343.73	2.31	-	6.29	<b>2,352.33</b>
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-

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<b>As at 31 March 2021</b>						
(i)	MSME	212.41	-	-	-	<b>212.41</b>
(ii)	Others	978.65	-	2.01	37.24	<b>1,017.91</b>
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
<b>As at 31 March 2020</b>						
(i)	MSME	189.26	-	-	-	<b>189.26</b>
(ii)	Others	669.03	-	28.16	-	<b>697.18</b>
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-
<b>As at 31 March 2019</b>						
(i)	MSME	118.01	-	-	-	<b>118.01</b>
(ii)	Others	778.20	44.46	1.77	12.46	<b>836.89</b>
(iii)	Disputed Dues - MSME	-	-	-	-	-
(iv)	Disputed Dues - Others	-	-	-	-	-

**C. Trade Receivable Ageing summary***(Rs. In Lakhs)*

SN	Particulars	Less than 6 Months	6 Months - 1 year	1-2 years	2-3 Years	More than 3 Years	Total
<b>As at 31 December 2021</b>							
(i)	Undisputed Trade Receivable - Considered Good	3,170.41	181.55	19.88	21.01	65.43	<b>3,458.28</b>
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
<b>As at 31 March 2021</b>							
(i)	Undisputed Trade Receivable - Considered Good	2,141.49	30.06	39.65	39.34	30.97	<b>2,281.50</b>
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
<b>As at 31 March 2020</b>							
(i)	Undisputed Trade Receivable - Considered Good	1,548.92	78.09	55.08	3.79	33.54	<b>1,719.41</b>
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
<b>As at 31 March 2019</b>							
(i)	Undisputed Trade Receivable - Considered Good	1,582.35	51.45	38.73	65.45	11.37	<b>1,749.35</b>
(ii)	Undisputed Trade Receivable - Considered doubtful	-	-	-	-	-	-
(iii)	Disputed Trade Receivable - Considered Good	-	-	-	-	-	-
(iv)	Disputed Trade Receivable - Considered doubtful	-	-	-	-	-	-

**D. Accounting Ratios**

(Rs. In Lakhs)

S/N	Particulars	31-12-2021	2020-21	2019-20	2018-19
1	Current Ratio	1.18	1.22	1.14	1.12
2	Debt-Equity Ratio	1.40	1.69	1.63	1.76
3	Debt Service Coverage Ratio	1.53	1.20	1.41	2.10
4	Return on Equity Ratio	20.87%	22.09%	27.72%	17.51%
5	Trade Receivables turnover ratio (in times)	4.88	5.50	4.84	5.18
6	Net capital turnover ratio (in times)	15.20	15.25	25.32	28.81
7	Net profit ratio	2.45%	2.61%	3.35%	1.65%
8	Inventory Turnover Ratio	6.02	7.35	8.51	6.62
9	Return on Capital employed	29.40%	29.71%	36.14%	30.27%

**Previous year's figures**

The figures of previous year have been re-arranged and regrouped wherever necessary to make them comparable with those of the current year.

**NOTE – Z**

**RESTATED STATEMENT OF RELATED PARTY TRANSACTIONS**

**RELATED PARTY DISCLOSURE**

**c) List of Related parties**

Names of the related parties with whom transactions were carried out during the years and description of relationship:

Sr. No.	Name of the Person / Entity	Relation
1	Hemant Dalsukhrai Mehta	Managing Director
2	Darshana Hemant Mehta	Non- Executive Director
3	Manan Hemant Mehta	Whole Time Director
4	Dharman Manoj Mehta	Whole-Time Director and Chief Financial Officer
5	Yesha Gandani	Compliance Officer & Company Secretary
6	M/s Arabian Petroleum - (Proprietor - Hemant D Mehta HUF)	Firm in which Directors/ relatives of Directors are interested
7	M/s Eastern India Company (Proprietor - Manan Hemant Mehta HUF)	Firm in which Directors/ relatives of Directors are interested
8	M/s Eastern India Co (Proprietor - Hemant Dalsukhrai Mehta)	Firm in which Directors/ relatives of Directors are interested

**d) Transaction with related Parties**

(Rs. In Lakhs)

Sr. No.	Particulars	As at			
		31-12-2021	31-03-2021	31-03-2020	31-03-2019
	<b>Remuneration Paid to Directors</b>				
	Hemant Dalsukhrai Mehta	52.83	50.70	30.49	26.52
	Darshana Hemant Mehta	17.22	14.55	7.30	7.30
	Manan Hemant Mehta	52.83	50.70	30.49	26.52
	Dharman Manoj Mehta	29.00	30.56	11.28	11.28
	<b>Royalty Paid</b>				
	Hemant Dalsukhrai Mehta	-	-	10.94	-
	Manan Hemant Mehta	-	-	8.57	-
	<b>Purchase</b>				
	M/s Arabian Petroleum - (Proprietor - Hemant D Mehta HUF)	-	-	-	2.40
	<b>Sales</b>				
	M/s Eastern India Co (Proprietor - Hemant Dalsukhrai Mehta)	-	-	-	1.70

**ARABIAN PETROLEUM LIMITED**

M/s Eastern India Company (Proprietor - Manan Hemant Mehta HUF)	12.21	17.21	1.06	0.80
<b><u>Loans Received</u></b>				
Hemant Dalsukhrai Mehta	45.00	272.30	131.00	82.00
Darshana Hemant Mehta	41.50	159.87	85.00	271.15
Manan Hemant Mehta	30.00	76.50	85.00	21.00
Dharman Manoj Mehta	-	28.00	-	-
<b><u>Loans Repaid/ Given</u></b>				
Hemant Dalsukhrai Mehta	287.00	112.00	68.00	10.50
Darshana Hemant Mehta	207.25	83.00	97.61	126.50
Manan Hemant Mehta	167.00	38.62	97.00	42.50
Dharman Manoj Mehta	28.00	-	-	-
<b><u>Balances at the end of year (Loans Payable)</u></b>				
Hemant Dalsukhrai Mehta	147.21	378.32	218.02	155.02
Darshana Hemant Mehta	88.35	254.10	177.23	189.84
Manan Hemant Mehta	-	132.07	94.19	106.19
Dharman Manoj Mehta	-	28.00	-	-

**NOTE – ZA  
RESTATED STATEMENT OF TAX SHELTER**

*(Rs. In Lakhs)*

Particulars	As at December	As at March 31,		
	31, 2021	2021	2020	2019
Restated profit before tax as per books (A)	460.82	389.99	376.50	178.65
<b><u>Tax Rates</u></b>				
Income Tax Rate (%)	25.17%	25.17%	25.17%	27.82%
Minimum Alternative Tax Rate (%)	N.A.	N.A.	N.A.	20.59%
<b><u>Adjustments :</u></b>				
Income Considered Separately	3.16	6.90	15.47	31.48
Disallowed	21.87	4.18	3.46	25.07
Allowed	-	8.23	1.76	-
Total Adjustments (B)	18.71	(10.96)	(13.77)	(6.42)
<b><u>Timing Difference</u></b>				
Book Depreciation	78.33	138.59	72.72	68.64
Income Tax Depreciation allowed	125.48	124.70	91.37	65.15
Total Timing Difference (C)	(47.15)	13.89	(18.65)	3.49
Net Adjustment D = (B+C)	(28.44)	2.93	(32.42)	(2.92)
Income from Capital Gains (E)	-	-	-	-
Income from Other Sources (F)	3.16	6.90	15.47	31.48
Deduction under chapter VI (G)	-	-	1.68	1.45
Taxable Income/(Loss) (A+D+E+F-G)	435.54	399.82	357.87	205.75
Income Tax on Above	109.62	100.63	90.07	57.24
MAT on Book Profit	N.A.	N.A.	N.A.	36.78
Tax paid as per normal or MAT	N.A.	N.A.	N.A.	Normal
Interest Payable	6.95	3.24	0.06	-
Total Provision for Tax	116.57	103.87	90.13	57.24

**NOTE – ZB  
CAPITALISATION STATEMENT***(Rs. In Lakhs)*

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<u>Borrowings</u>		
Short term Debt	2,015.86	*
Long Term Debt	289.93	*
Total Debt	2,305.80	*
<u>Shareholders' funds</u>		
Equity share capital	200.00	*
Reserve and surplus - as restated	1,445.28	*
Total shareholders' funds	1,645.28	*
Long term debt / shareholders funds	0.18	0.00
Total debt / shareholders funds	1.40	0.00

*(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months
2. Long term Debts represent debts other than Short term Debts as defined above
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st December, 2021.

**Note- ZC****RESTATED STATEMENT OF MANDATORY ACCOUNTING RATIOS**

Particulars	As At			
	31-12-2021	31-03-2021	31-03-2020	31-03-2019
Net Worth (A)	1,645.28	1,301.98	1,014.44	733.21
Adjusted Profit after Tax (B)	343.30	287.54	281.23	128.37
Number of Equity Share outstanding as on the End of Year (C) (Based on actual number of shares)	20,00,000	2,00,000	2,00,000	2,00,000
Weighted average no of Equity shares at the time of end of the year (D)	80,00,000	80,00,000	80,00,000	80,00,000
Face Value per Share	10	100	100	100
Restated Basic and Diluted Earning Per Share (Rs.) (B/D)	4.29	3.59	3.52	1.60
Return on Net worth (%) (B/A)	20.87%	22.09%	27.72%	17.51%
Net asset value per share (A/C) (Face Value of Rs. 100* Each) (Based on Actual Number of Shares) *(Face Value of Rs.10 Each as on 31-12-2021)	82.26	650.99	507.22	366.60
Net asset value per share (A/C) (Face Value of Rs. 10 Each) (Based on Weighted Average Number of Shares)	20.57	16.27	12.68	9.17
EBITDA	616.18	618.61	521.01	278.05

**Notes:**

- The ratios have been computed as below: The Below ratio's have not been annualized for the period ended 31st December 2021.
  - Basic earnings per share (Rs.) : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year
  - Diluted earnings per share (Rs.) : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS
  - Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year
  - Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year
- Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
- Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus (including, Securities Premium, General Reserve and surplus in statement of profit and loss).
- The figures disclosed above are based on the restated summary statements of the Company.
- EBITDA has been calculated as Profit before tax + Depreciation + Interest Expenses - Other Income

**OTHER FINANCIAL INFORMATION**

The audited financial statements of our Company as at December 31, 2021 and for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 and their respective Audit reports thereon (Audited Financial Statements) are available at [www.arabianpetroleum.co.in](http://www.arabianpetroleum.co.in)

Our Company is providing a link to this website solely to comply with the requirements specified in the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018. The Audited Financial Statements do not constitute, (i) a part of this Draft Prospectus; or (ii) prospectus, a statement in lieu of a prospectus, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, 2013, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018, or any other applicable law in India or elsewhere in the world. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company and should not be relied upon or used as a basis for any investment decision. Neither our Company, nor LM, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

2. The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:-

Particulars	As at	For the year ended March 31,		
	December 31,	2021	2020	2019
Basic & Diluted Earnings per Share based on Weighted Average Number of Shares (including effect of bonus shares allotted on June 23, 2021)	4.29	3.59	3.52	1.60
Return on Net Worth (%)	20.87%	20.09%	27.72%	17.51%
Net Asset Value Per Share (Rs) (based on actual number of shares)	82.26	650.99	507.22	366.60
Net Asset Value Per Share (Rs) (based on weighted average number of shares)	20.57	16.27	12.68	9.17
Earnings before interest, tax, depreciation and amortization (EBITDA)	<b>616.18</b>	<b>618.61</b>	<b>521.01</b>	<b>278.05</b>

**STATEMENT OF FINANCIAL INDEBTEDNESS**

To,  
The Board of Directors,  
Arabian Petroleum Limited  
Plot 14-B, Morivali MIDC,  
Opp. Positive Packaging. Ambernath (W),  
Thane - 421505

Dear Sirs,

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of Arabian Petroleum Limited and further explanations and information provided by the management of the Company, which we believe to be true and correct to the best of our information and belief, the sanction amount of financial indebtedness, principal terms of security for loan and other related details as on 31st December, 2021 & 31st March, 2021 are mentioned below.

**A. SECURED LOANS**

**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

<b>Name of Lender</b>	<b>Purpose</b>	<b>Sanctioned Amount</b>	<b>Rate of Interest</b>	<b>Primary &amp; Collateral Security</b>	<b>Re-Payment Schedule</b>	<b>Outstanding Amount as per Books as on 31-12-2021</b>	<b>Outstanding Amount as per Books as on 31-03-2021</b>
Kotak Mahindra Bank	Term Loan	350	MCLR + 1.10% p.a.  Present MCLR rate is 8.60% p.a.  Effective interest rate is 9.70% p.a	<b>Primary:</b> <b>For Hypothecation</b> Extension of first and exclusive hypothecation charge on entire, present and future, current & movable fixed assets of the company.  <b>Collateral Security:</b> <b>a)</b> Plot 14-B, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (Old)  <b>b)</b> Plot 14B/1, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (New)	60 monthly instalments (including 3 months moratorium)	33.46	43.50
Kotak	Foreign	328	3.60% p.a.	<b>Primary:</b> <b>For Hypothecation</b>	47 monthly instalments	175.38	226.89

**ARABIAN PETROLEUM LIMITED**

Mahindra Bank	Currency Term Loan			<p>First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower/third party.</p> <p><b>Collateral Security:</b>  <b>a)</b> Plot 14-B, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (Old)  <b>b)</b> Plot 14B/1, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (New)</p>	of \$7743.33 (fixed principal component)		
Kotak Mahindra Bank	Term Loan Working Capital (ECLGS Scheme)	210.82	8.00%	<p><b>Primary:</b> The securities/assets charged (both present and future) in favour of the bank shall continue to be valid and subsisting for the existing facilities.</p> <p><b>Collateral Security:</b>  <b>a)</b> Exclusive hypothecation charge on all existing and future current assets of the borrower.  <b>b)</b> Exclusive on all existing and future moveable fixed assets of the borrower.  <b>c)</b> Exclusive first mortgage charge on immovable properties:  <b>1)</b> Plot 14-B, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (Old)  <b>2)</b> Plot 14B/1, Morivali MIDC, Opp. Positive Packing, Ambernath (W), Thane – 421505, owned by the Arabian Petroleum Limited (New).</p>	48 months (including the 12 months moratorium period)	184.51	210.82
Kotak Mahindra Bank	Cash Credit	1700	<p>Repo rate + 3.10% p.a. Present Repo rate is 4.00% p.a.</p>	<p><b>For Hypothecation</b> First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower</p>	On Demand	1531.98	924.05

**ARABIAN PETROLEUM LIMITED**

			Effective interest rate is 7.10% p.a				
Kotak Mahindra Bank	Adhoc WCDL	200	9.15%	<b>For Hypothecation</b> First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower	90 days	98.96	-
Kotak Mahindra Bank	Term Loan (PCFC)	200	As per MCLR	<b>For Hypothecation</b> First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower	90 days	45.95	-
<b>TOTAL (Funded)</b>						2070.24	1405.26
Kotak Mahindra Bank	Bank Guarantee	100	-	<b>For Hypothecation</b> First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower	24 months excluding claim period of 12 months	-	-
Kotak Mahindra Bank	Letter of Credit	400	-	<b>For Hypothecation</b> First and exclusive hypothecation charge on all existing and future receivable/current asset/moveable assets of the borrower	90 days	-	-
Kotak Mahindra Bank	Performance Bank Guarantee	50	-	N.A.	42 months excluding claim period 12 months	44.62	42.49
<b>TOTAL (Non-Funded)</b>						44.62	42.49

**ARABIAN PETROLEUM LIMITED****Principal terms of Cash Credit facilities availed from Kotak Mahindra Bank:**

1. Drawing Power- 25% (Stock (excluding obsolete and slow moving stock)+ book debts (excluding book debts of group companies, book debts>120 days, book debt assigned/discounted) - Creditors for trade net of advances paid to vendors- Advances received from customers - Guarantees executed by the Bank in lieu of advance payment for purchase of raw materials - Goods received under unpaid usance LCs/ Buyers Credit / BG / SBLC - Stocks purchased under Purchase Bill Discounting - Outstanding under EPC/ PCFC on confirmed order basis - Advance received against firm export orders- Outstanding with other banks
2. In addition to the rate of interest, following penal rate of interest/ charges will be charged: -

(a) Irregularity in Cash Credit Limit	Additional Commission/Charges at 2.00% p.a. on sanctioned limits payable by the Borrower
(b) Non- submission/ delayed submission of Stock Statement beyond the stipulated period of 10 days of next immediate month.	INR 10000/- per month till the statement is submitted. Delay in submission of more than 60 days will result in reductions of limits at the absolute and sole discretion of the Bank.
(c) Non Submission of renewal data including audited balance sheet	Additional Commission/Charges at 2.00% p.a. on sanctioned limits payable by the Borrower
(d) Non-compliance with financial covenants	Additional interest at 2.00% p.a. on total exposure on the Borrower from the date of non-compliance till continuation of non-compliance. (Total exposure calculated as sum of limits of revolving lines and outstanding of non-revolving lines).
(e) Division of funds into Associates/ Subsidiaries without Bank's approval	-

**Commitment charges: -**

Average utilization > 75%	No Charges
Average utilization is between 50% - 75%	No Charges
Average utilization < 50%	In case of average utilization of limits for the quarter is below 50% of sanctioned limits, Commitment fee of 0.10% of unutilised limits.

3. Company must provide Stock & book debts statement by 15<sup>th</sup> of succeeding month.
4. Company must conduct audit half yearly for 1<sup>st</sup> year and annually thereafter.
5. Stock Audit:
  - (a) Stock and Receivable Audit will be carried out at as per Bank's extant instructions at present the periodicity is half yearly.
6. Other important covenant:
  - (a) Bank has the right to monitor progress in respect of Performance Bank Guarantee and Advance Payment Bank Guarantee through Lender's Independent Engineer, at Company cost, at the discretion of the Bank at such intervals as may be warranted based on the tenor of underlying contract or as otherwise warranted.

**Principal terms of Bank Guarantee facilities availed from Kotak Mahindra Bank:**

1. Margin
  - Margin of 10% (100% cash margin for guarantees covering disputed liabilities and open ended BG)
2. Period of Guarantee:
  - Maximum 24M excluding claim period of 12M

3. Commission:
  - 1.20% p.a payable upfront

**Principal terms of Letter of Credit**

1. Margin
  - Cash margin of 10% shall be provided upfront.
2. Period of Guarantee:
  - Combined & Individual tenor for LC/BC: 90 days

**Principal terms of Performance Bank Guarantee**

1. Margin
  - 100% (Lien shall be marked on the Fixed Deposits (FD) till such time as the BG is cancelled and returned to the Bank)
2. Period of Guarantee:
  - Maximum 42M excluding claim period of 12M

**Principal terms of General Condition facilities availed from Kotak Mahindra Bank Limited:**

The Borrower(s) shall give 60 day's prior notice to the Bank for undertaking any of the following activities to enable the Bank to take a view. If, in the opinion of the Bank, the move contemplated by the borrower is not in the interest of the Bank, the Bank will have the right of veto for the activity. Should the borrower still go ahead, despite the veto, the Bank shall have the right to call up the facilities sanctioned.

- (a) Formulation of any scheme of amalgamation or reconstruction or merger or de-merger.
- (b) Any New project or Scheme of expansion or acquisition of fixed assets.
- (c) Investment by way of share capital or Loan or Advance funds to or place deposits with any other concern (including group companies).
- (d) Entering into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise.
- (e) Issuing any guarantee or Letter of Comfort in the nature of guarantee on behalf of any other company (including group companies)
- (f) Declare dividends for any year except out of profits relating to that year.
- (g) Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.
- (h) Sell, assign, mortgage or otherwise dispose of any fixed assets charged to the Bank.
- (i) Entering into any contractual obligation of a long term nature.
- (j) Transfer of controlling interest or making any drastic change in the management including resignation of promoter, director (includes key managerial personnel)
- (k) Opening of Current Account with another bank or a bank which is not a member of consortium/MBA.
- (l) For credit facility(ies) under sole banking arrangement, borrower shall confine entire business with financing bank. Further, in respect of credit facilities under consortium/MBA. The borrower agrees to offer to the Bank (on a right of first refusal basis) at least pro rata business relating to remittances, non-fund bases transactions including LCs/BGs, bills/cheque purchase, Forex transactions and any interest rate or currency hedging business, Merchant Banking, IPO/FPO, Capital Market transactions, Cash Management Product, Vehicle Loan etc.
- (m) Payment of commission to the guarantor(s) for guaranteeing the credit facilities sanctioned by the Bank.

**B. UNSECURED LOANS**

<b>Name</b>	<b>Purpose</b>	<b>Rate of Interest</b>	<b>Repayment</b>	<b>Outstanding Amount as per Books as on 31-12-2021</b>	<b>Outstanding Amount as per Books as on 31-03-2021</b>
Hemant Dalsukhrai Mehta	Business Loan	6%	Repayable on Demand	147.21	378.32
Darshana Hemant Mehta	Business Loan	6%	Repayable on Demand	88.35	254.10
Manan Hemant Mehta	Business Loan	6%	Repayable on Demand	-	132.07
Dharman Manoj Mehta	Business Loan	6%	Repayable on Demand	-	28.00

**For M/s M N T & Associates LLP  
Chartered Accountants  
FRN.W100115**

**Sd/-**

**CA Mahesh Gala  
Partner  
M. No. 116548  
Place : Thane  
Date : 15<sup>th</sup> June, 2022  
UDIN: 22116548ALTKQK1996**

**MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion in conjunction with our restated financial statements attached in the chapter titled “Financial Information of the Company” beginning on page 144 You should also read the section titled “Risk Factors” on page 21 and the section titled “Forward Looking Statements” on page 15 of this Draft Prospectus, which discusses a number of factors and contingencies that could affect our financial condition and results of operations. The following discussion relates to us, and, unless otherwise stated or the context requires otherwise, is based on our Restated financial Statements.*

*Our financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditor dated June 15, 2022 which is included in this Draft Prospectus under “Financial Statements”. The Restated Financial Information has been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. Our financial year ends on March 31 of each year, and all references to a particular financial year are to the twelve-month period ended March 31 of that year.*

**OVERVIEW**

We are in the business of manufacturing a wide range of Lubricants including speciality Oils, Coolants, etc. used for application in automobiles and industrial machines and appliances. Our business is categorized into two distinctive product divisions: (i) Automotive Lubricants – Arzol and (ii) Industrial Lubricants – SPL. We are dedicated to consistently providing products that deliver stellar quality and comply with statutory requirements in the Automotive and Industrial Lubricants domain.

Our Company took over the manufacturing and trading business of Industrial & Automotive Lubricants from the proprietorship firm “Arabian Petroleum” run by its proprietor Hemant D Mehta HUF vide Business Takeover agreement dated December 25, 2015, in the manner that all the Know- how, goodwill, clients of the proprietorship firm were transferred to the company and the company set up its own manufacturing facility at a plant in Ambernath situated at Plot 14-B, Morivali M.I.D.C., Opp. Positive Packaging, Ambernath (W), Ambernath Thane – 421505, Maharashtra, India. Thereafter our company started its manufacturing activities with 10 blending machines. In the year 2019 we further expanded our manufacturing activities to Factory Unit-2 situated at Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambernath (W), Distt- Thane-421505, Maharashtra, India and added 2 more blending machines with total installed capacity of 40590 KLPA Our combined in-house storage capacity of storage tanks at both our manufacturing facilities for base oil, additives, waxes as on December 31, 2021 is approximately 2000 KL and that for semi-finished or finished products is approximately 500 KL.

We are honored to be one of the suppliers of lubricants to the Indian Armed Forces and have successfully delivered lubricant products to Border Security Force (BSF), Indian Air Force (IAF) and Indian Navy across various parts of the country. We also have government clientele including BEML Limited, Bharat Coking Coal Limited, Bharat Electronics Limited, Bharat Heavy Electricals Limited, Hindustan Aeronautics Limited, Indian Air Force, Mazagon Dock Shipbuilders Limited, Indian Navy (Controller of Procurement Material Organisation), Municipal Corporation of Greater Mumbai, Indian Railway, Western Coalfields Limited, South Eastern Coalfields Limited, Northern Coalfields Limited etc. Furthermore we are exporting our products to countries like: Guyana, Oman, Qatar, Vietnam, Sri Lanka, Sierre Leone, Zambia, Bangladesh, Chile etc.

We also manufacture and package lubricants on job work basis for some of the customers for B2B applications. We have diversified our product portfolio, mainly due to our strong research and development (“R&D”), technological and laboratory capabilities. Our R&D capabilities include product design, product engineering, product simulation, prototyping and testing.

**STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

For details in respect of Statement of Significant Accounting Policies, please refer to Annexure IV of Restated Financial Statements beginning on page 151 of this Draft Prospectus.

**Factors Affecting our Results of Operations**

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factors**” beginning on page 21 of this Draft Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Changes in consumer demand and preferences;
- Availability of raw materials and fluctuation in the prices of raw materials for our speciality oils and lubricants products
- Failure to successfully upgrade our product portfolio, from time to time;
- Any change in government policies resulting in increases in taxes payable by us;
- Our ability to retain our key managements persons and other employees;
- Changes in laws and regulations that apply to the industries in which we operate.
- Our failure to keep pace with rapid changes in technology;
- Our ability to make interest and principal payments on our existing debt obligations and satisfy the other covenants contained in our existing debt agreements;
- Delay or default in payment from our depots and customers
- General economic, political and other risks that are out of our control;
- Inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
- Exchange rate fluctuations in various currencies in which we do business;
- Company’s ability to successfully implement its growth strategy and expansion plans;
- Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
- Inability to successfully obtain registrations in a timely manner or at all;
- Occurrence of Environmental Problems & Uninsured Losses;
- Any adverse outcome in the legal proceedings in which we are involved;
- Concentration of ownership among our Promoters;
- The performance of the financial markets in India and globally;

**ARABIAN PETROLEUM LIMITED****Discussion on Result of Operations**

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the stub period ended on December 31, 2021 and FY 2021, 2020 and 2019.

*(Rs. In lakhs)*

Particulars	For the period ended on December 31, 2021	% of Total Income	2020-21	% of Total Income	2019-20	% of Total Income	2018-19	% of Total Income
Revenue from operations	14,015.25	99.75%	10,998.70	99.77%	8,392.40	99.74%	7,757.50	99.51%
Other Income	35.26	0.25%	25.83	0.23%	21.61	0.26%	37.87	0.49%
<b>Total Income</b>	<b>14,050.51</b>	<b>100.00%</b>	<b>11,024.54</b>	<b>100.00%</b>	<b>8,414.01</b>	<b>100.00%</b>	<b>7,795.36</b>	<b>100.00%</b>
Expenses								
Cost of materials consumed	12459.64	88.68%	8846.25	80.24%	6,307.14	74.96%	6,476.38	83.08%
Changes in Inventory	-873.27	-6.22%	-134.3	-1.22%	73.62	0.87%	-52.88	-0.68%
Employee benefit expenses	648.73	4.62%	627.42	5.69%	506.66	6.02%	417.7	5.36%
Financial cost	124.31	0.88%	122.67	1.11%	102.42	1.22%	91.5	1.17%
Depreciation and Amortisation Expenses	78.33	0.56%	138.59	1.26%	72.72	0.86%	68.64	0.88%
Other expenses	1151.95	8.20%	1033.92	9.38%	974.93	11.59%	615.37	7.89%
<b>Total Expenditure</b>	<b>13,589.69</b>	<b>96.72%</b>	<b>10,634.55</b>	<b>96.46%</b>	<b>8,037.51</b>	<b>95.53%</b>	<b>7,616.71</b>	<b>97.71%</b>
Profit/ Loss Before Exceptional & Extraordinary Items & Tax	<b>460.82</b>	<b>3.28%</b>	<b>389.99</b>	<b>3.54%</b>	<b>376.50</b>	<b>4.47%</b>	<b>178.65</b>	<b>2.29%</b>
Exceptional Item	-	-	-	-	-	-	-	-
<b>7 Profit/ (Loss) Before Tax</b>	<b>460.82</b>	<b>3.28%</b>	<b>389.99</b>	<b>3.54%</b>	<b>376.50</b>	<b>4.47%</b>	<b>178.65</b>	<b>2.29%</b>
<b>8 Tax expense</b>								
(1) Tax Expense for Current Year	116.57	0.83%	103.87	0.94%	90.13	1.07%	57.24	0.73%
(2) Short/ (Excess) Provision of Earlier Year								
(2) Deferred Tax	0.95	0.01%	-1.42	-0.01%	5.14	0.06%	-6.96	-0.09%
Net Current Tax Expense	117.52	0.84%	102.45	0.93%	95.27	1.13%	50.28	0.64%
<b>9 Profit/ Loss for the Year (V-VI)</b>	<b>343.30</b>	<b>2.44%</b>	<b>287.54</b>	<b>2.61%</b>	<b>281.23</b>	<b>3.34%</b>	<b>128.37</b>	<b>1.65%</b>

## **ARABIAN PETROLEUM LIMITED**

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### **Revenue from operations:**

Revenue from operations mainly consists of revenue from sale of wide range of Lubricant products including speciality Oils, Coolants, Greases, Brake Fluids etc.

### **Other Income:**

Our other income primarily comprises of Interest Income, Rental income, Net gain on foreign currency transactions, Export drawback received etc.

### **Expenses:**

Company's expenses consist of Cost of Materials Consumed, Change in inventories, Employee benefits expenses, Finance cost, Depreciation and amortization expenses and Other expenses.

### **Cost of Materials Consumed:**

Cost of Materials Consumed comprises of cost of Raw Material consumed being base oil and additives

### **Changes in inventories of finished goods work-in-progress and Stock-in-Trade:**

Changes in inventories of finished goods and work-in-progress comprises of increase/decrease in Finished Goods and Work in Progress.

### **Employee benefits expense:**

Our employee benefits expense primarily comprises of Salary and wages, Provision for gratuity, Contribution to Provident and Other Fund, Director's Remuneration, Staff welfare expenses etc.

### **Finance Costs:**

Our finance cost includes Interest expense on borrowings, Net Gain/Loss on Forex Transaction and translation and Bank Charges.

### **Depreciation and Amortization Expenses:**

Depreciation includes depreciation on Buildings, Computers and Printers, Furniture & Fixtures, Vehicles, Laboratory Equipment, Office Equipment, Plant & Equipments etc.

### **Other Expenses:**

Our other expenses consists of electricity charges, factory, power and fuel, transport charges, administration, CFA charges, commission expenses, consulting charges, conveyance expenses, discount, insurance, job work charges, packing expenses, professional fees, repairs and maintenance, spares and consumables, travelling expenses, other expenses, etc.

### **Details of nine months period ended December 31, 2021 and Financial Year 2021 Compared to Financial Year 2020 (Based on Restated Financial Statements)**

### **Total Income:**

Total income for the nine months period ending December 31, 2021 stood at Rs. 14,050.51 Lacs. For financial year 2020-21, it stood at Rs. 11,024.54 Lakhs whereas in Financial Year 2019-2020 the same stood at Rs. 8,414.01 Lakhs representing an increase of 31.03%.

**Revenue from Operations**

During the nine months period ending December 31, 2021, net revenue from operations was Rs. 14,015.25. For financial year 2020-21 it increased to Rs. 10,998.70 Lakhs as against Rs. 8,392.40 Lakhs in the Financial Year 2019-20 representing an increase of 31.06%. This increase is mainly due to increase in sale of products.

**Other Income:**

During the nine months period ending December 31, 2021, other income was Rs. 35.26 Lacs. For financial year 2020-21, it increased to Rs. 25.83 Lakhs as against Rs. 21.61 lakhs in the Financial Year 2019-20 representing an increase of 19.53%. Such increase is mainly due to export drawback received, Net gain on foreign currency transactions, etc.

**Total Expenses:**

The Total Expenditure for the nine months period ending December 31, 2021 stood at Rs. 13,589.69 Lacs. For financial year 2020-21, it increased to Rs. 10,634.55 Lakhs from Rs. 8,037.51 lakhs in the Financial Year 2019-20 representing an increase of 32.31%.

**Cost of Materials Consumed**

The Cost of Materials Consumed for the nine months period ending December 31, 2021 stood at Rs. 12,459.64 For financial year 2020-21, it increased to Rs. 8,846.25 Lakhs from Rs 6,307.14 Lakhs for the FY 2019-20, representing an increase of 40.26% to the previous year.

**Employee benefits expense:**

Our Company has incurred Rs. 648.73 Lacs as Employee benefits expense for the nine months period ending December 31, 2021. It stood at Rs. 627.42 Lakhs during the financial year 2020-21 as compared to Rs. 506.66 Lakhs in the financial year 2019-20 representing an increase of 23.83% due to increase in remuneration.

**Finance costs:**

Finance costs for the for the nine months period ending December 31, 2021 was Rs. 124.31 Lacs. For financial Year 2020-21, it increased to Rs. 122.67 Lakhs as against Rs. 102.42 Lakhs during the financial year 2019-20. There is an increase of 19.77% which is mainly due to increase in Interest expense on borrowings.

**Depreciation and Amortization Expenses:**

Depreciation for the nine months period ending December 31, 2021 was Rs. 78.33 Lacs. For financial year 2020-21, it stood at Rs. 138.59 Lakhs as against Rs. 72.72 Lakhs during the financial year 2019-20 indicating an increase of 90.58%.

**Other Expenses:**

Our Company has incurred Rs. 1,151.95 Lakhs as other expenses during the nine months period ending December 31, 2021. For Financial Year 2020-21, other expenses were Rs. 1,033.92 Lacs as against Rs. 974.93 lacs during the financial year 2019-20 representing an increase of 6.05%.

**Restated Profit before tax:**

Net Profit before tax for the nine months period ending December 31, 2021 was Rs. 460.82 Lacs. For financial year 2020-21, it increased to Rs. 389.99 Lakhs as compared to Rs. 376.50 Lakhs in the financial year 2019-20 .

**Restated profit after tax:**

## **ARABIAN PETROLEUM LIMITED**

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The Company reported Restated profit after tax for the nine months period ending December 31, 2021 at Rs. 343.30 Lacs. For financial year 2020-21, it stood at Rs. 287.54 Lakhs in comparison to Rs. 281.23 lakhs in the financial year 2019-20.

### **Financial Year 2020 Compared to Financial Year 2019 (Based on Restated Financial Statements)**

#### **Total Income:**

Total income for the financial year 19-20 stood at Rs. 8,414.01 Lakhs whereas in Financial Year 2018-19 the same stood at Rs. 7,795.36 Lakhs representing an increase of 7.94% due to drop in sales because of impact of COVID – 19 pandemic.

#### **Revenue from Operations**

During the financial year 2019-20 the net revenue from operation of our Company increased to Rs. 8,392.40 Lakhs as against Rs. 7,757.50 lakhs in the Financial Year 2018-19 representing an increase of 8.18%.

#### **Other Income:**

During the financial year 2019-20 the other income of our Company increased to Rs. 21.61 Lakhs as against Rs. 37.87 lakhs in the Financial Year 2018-19 representing a decrease of 42.94% which is mainly due to non- receipt of Government Subsidy.

#### **Total Expenses:**

The Total Expenditure for the financial year 2019-20 increased to Rs. 8,037.51 Lakhs from Rs. 7,616.72 lakhs in the Financial Year 2018-19 representing an increase of 5.52%.

#### **Cost of Materials Consumed**

The Cost of Materials Consumed for the financial year 2019-20 decreased to Rs. 6,307.14 Lakhs from Rs 6,476.38 Lakhs for the financial year 2018-19, representing a decrease of 2.61% from the previous year.

#### **Employee benefits expense:**

Our Company has incurred Rs. 506.66 Lakhs as Employee benefits expense during the financial year 2019-20 as compared to Rs. 417.70 Lakhs in the financial year 2018-19. The increase of 21.30% was due to increase in remuneration.

#### **Finance costs:**

These costs were for the financial Year 2019-20 increased to Rs. 102.42 Lakhs as against Rs 91.50 Lakhs during the financial year 2018-19. Thus, there is a increase of 11.93% .

#### **Depreciation and Amortization Expenses:**

Depreciation for the financial year 2019-20 stood at Rs. 72.72 Lakhs as against Rs. 68.64 Lakhs during the financial year 2018-19 representing an increase of 5.94%

#### **Other Expenses:**

Our Company has incurred Rs. 974.93 Lakhs during the Financial Year 2019-20 on other expenses as against Rs. 615.37 Lakhs during the financial year 2018-19 representing a increase of 58.43%.

#### **Restated Profit before tax:**

## **ARABIAN PETROLEUM LIMITED**

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Net profit before tax for the financial year 2019-20 was Rs. 376.50 Lakhs as compared to Net Profit before Tax of Rs. 178.65 Lakhs during the financial year 2018-19.

### **Restated profit after tax:**

The Restated Profit after tax for the financial year 2019-20 was Rs. 281.23 Lakhs as compared to Restated Profit after Tax of Rs. 128.37 lakhs during the financial year 2018-19.

### **Information required as per Item (II) (C) (iv) of Part A of Schedule VI to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

#### ***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. Except as disclosed in this Draft Prospectus, there are no unusual or infrequent events or transactions in our Company.

#### ***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

There are no significant economic changes that may materially affect or likely to affect income from continuing operations.

#### ***3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.***

Apart from the risks as disclosed under Section “*Risk Factors*” beginning on page 21 of the Draft Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.

#### ***4. Future changes in relationship between costs and revenues***

Other than as described in the sections “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 21, 95 and 192 respectively, to our knowledge, no future relationship between expenditure and income is expected to have a material adverse impact on our operations and finances.

#### ***5. Total turnover of each major industry segment in which our Company operates***

The Company is in the business of manufacturing a wide range of Lubricants including speciality Oils, Coolants, etc. Relevant industry data, as available, has been included in the chapter titled “*Industry Overview*” beginning on page 85 of this Draft Prospectus.

#### ***6. Status of any publicly announced New Products or Business Segment***

Except as disclosed in the Chapter “*Our Business*”, our Company has not announced any new product or service.

#### ***7. Seasonality of business***

Our business is not affected by seasonal variations and adverse weather conditions.

#### ***8. Dependence on single or few customers or suppliers***

The revenues of our business operations is not dependent upon few customers. For instance, our top ten customers accounted for 28.41% (approx.) of our revenue from operations for the stub period ended on December 31, 2021 and

## **ARABIAN PETROLEUM LIMITED**

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approx. 23.59%, 23.42% and 21.10% of our revenue from operations for the FY 20-21, FY 19-20 and FY 18-19 respectively. We have not entered into long term agreements with our customers and the success of our business is accordingly significantly dependent on us maintaining good relationships with them.

### **9. Competitive conditions**

Competitive conditions are as described under the Chapters “*Industry Overview*” and “*Our Business*” beginning on pages 85 and 95 respectively of this Draft Prospectus.

### **10. Details of material developments after the date of last balance sheet i.e. December 31, 2021.**

After the date of last audited Balance sheet i.e. December 31, 2021, the following material events have occurred:

1. We have passed a Board resolution in the meeting of Board of Directors dated April 06, 2022 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
2. Mr. Hemant Dalsukhrai Mehta was re-designated as chairman and Managing Director in the meeting of Board of Directors dated April 06, 2022.
3. Mrs. Darshana Hemant Mehta was re-designated as Non- Executive Director in the meeting of Board of Directors dated April 06, 2022.
4. Mr. Manan Hemant Mehta was re-designated as Whole- time Director in the meeting of Board of Directors dated April 06, 2022.
5. Mr. Dharman Manoj Mehta was re-designated as Whole- time Director and appointed as Chief Financial Officer in the meeting of Board of Directors dated April 06, 2022.
6. Ms. Yesha Chetan Gandani was re-designated as Company Secretary and Compliance officer of the Company in the meeting of Board of Directors dated April 06, 2022.
7. We have passed a special resolution in the meeting of shareholders dated April 09, 2022 authorizing the Board of Directors to raise funds by making an Initial Public Offering.
8. Our company has been sanctioned unsecured Overdraft facility to the extent of Rs 1000 lakhs from Standard Chartered Bank vide sanction letter dated April 22, 2022
9. Mr. Milan Mohanlal Paleja was appointed as Additional Independent Director in the meeting of Board of Directors dated April 30, 2022.
10. Mr. Dinesh Babulal Panchal was appointed as Additional Independent Director in the meeting of Board of Directors dated April 30, 2022.
11. Our Company formed the Audit Committee (“Audit Committee”), the Stakeholders Relationship Committee, the Nomination and Remuneration Committee vide Board Resolution dated April 30, 2022.
12. Our Company has approved the Audited Financial Statements for stub period ended December 31, 2021 at Board Meeting dated June 15, 2022
13. Our Company has approved the Restated Financial Statements for the stub period ended December 31, 2021 and financial year ended March 31, 2021, 2020 & 2019 in the Board meeting dated June 15, 2022
14. Our Company has approved the Draft Prospectus vide resolution in the Board Meeting dated June 30, 2022

**CAPITALISATION STATEMENT***(Rs. In Lakhs)*

<b>Particulars</b>	<b>Pre Issue</b>	<b>Post Issue</b>
<u>Borrowings</u>		
Short term Debt	2,015.86	*
Long Term Debt	289.93	*
Total Debt	2,305.80	*
<u>Shareholders' funds</u>		
Equity share capital	200.00	*
Reserve and surplus - as restated	1,445.28	*
Total shareholders' funds	1,645.28	*
Long term debt / shareholders funds	0.18	0.00
Total debt / shareholders funds	1.40	0.00

*(\*) The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence have not been furnished.*

**Notes:**

1. Short term Debts represent which are expected to be paid/payable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31st December, 2021.

**SECTION VII**  
**LEGAL AND OTHER INFORMATION**

**OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS**

*Except as stated in this section, there are no outstanding (I) criminal proceedings, (II) actions taken by regulatory or statutory authorities, (III) disciplinary action including penalty imposed by the SEBI or stock exchanges against our Promoters in the last five financial years, including outstanding action, (IV) claims related to direct and indirect taxes, and (V) other pending litigation which are determined to be material as per the policy adopted by our Board ("**Materiality Policy**"), in each case involving our Company, Promoters and Directors, (the "**Relevant Parties**").*

*For the purpose of (V) above, our Board has considered and adopted a policy of materiality for identification of material litigation in terms of the SEBI (ICDR) Regulations, 2018 as amended for disclosure of all pending litigation involving the Issuer, its directors and promoters, other than criminal proceedings, statutory or regulatory actions and taxation matters where the aggregate amount involved in such individual litigation exceeds 1% of profit after tax of the Company, as per the last audited financial statements of the Company or such litigations whose outcome could have a material impact on the business, operations, prospects or reputations of the Company.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations, 2018 as amended for creditors where outstanding due to any one of them exceeds 5% of the Company's trade payables for the last audited financial statements.*

**PART 1: LITIGATION RELATING TO OUR COMPANY**

**A. FILED AGAINST OUR COMPANY**

**1. Litigation Involving Criminal Laws**

NIL

**2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

**3. Other Pending Litigation**

NIL

**B. CASES FILED BY OUR COMPANY**

**1. Litigation Involving Criminal Laws**

A) M/s Arabian Petroleum Limited, ("Complainant") filed a complaint under Section 138 read with Section 141 of the Negotiable Instruments Act, 1881 against Saini Trading Private Limited, Mr. Rajender Singh Saini and Ms. Sheela Saini, Directors of Saini Trading Private Limited ("Accused") in the Court of Hon'ble Metropolitan Magistrate at Mulund, Mumbai alleging dishonor of cheque bearing No. 000122 dated 17<sup>th</sup> October, 2017 amounting to Rs. 31,72,761 returned back unpaid for the reason "Funds Insufficient". Thereafter a notice dated 4<sup>th</sup> November, 2017 under Section 138 of the Negotiable Instruments Act, 1881 was issued to the accused demanding the said amount of Rs. 31,72,761 being the amount in respect of dishonored cheque, however the accused did not made the payment of the same nor did he comply with the requisition of the said notice. The complainant prayed the Hon'ble Court to take cognizance of the offence and necessary compensation as per the law. The Hon'ble Court issued warrant of Arrest dated 10<sup>th</sup> December, 2021 against Mr. Rajender Singh Saini, Director of Saini Trading Private Limited directing concerned Police Station to produce him before the Hon'ble Court. The current status of the case is pending and the next hearing date is 14<sup>th</sup> July 2022.

## **ARABIAN PETROLEUM LIMITED**

B) M/s Arabian Petroleum Limited, (“Complainant”) had filed a complaint against M/s R.K. Sales and Mr. Dinesh Sadashivrao Zarbode (“Accused”) for non- payment of Rs. 7,40,000/- in the Court of Civil Judge, Kalyan. The Accused had purchased Lubricants and Petroleum products from the Complainant and despite multiple follow ups and issuance of legal notice failed to make the requisite payment to the Complainant. The matter is pending as on date and the next hearing date is 2<sup>nd</sup> July 2022.

### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

### **3. Other Pending Litigation**

## **PART 2: LITIGATION RELATING TO DIRECTORS AND PROMOTERS OF OUR COMPANY**

### **A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

#### **1. Litigation Involving Criminal Laws**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Other Pending Litigation**

NIL

### **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

#### **1. Litigation Involving Criminal Laws**

NIL

#### **2. Litigation involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3. Other Pending Litigation**

NIL

## **PART 3: TAX PROCEEDINGS**

(Rs in lakhs)

<b>Nature of Case</b>	<b>Number of Cases</b>	<b>Amount Involved (to the extent quantifiable)</b>
<b><i>Company</i></b>		
Direct	Nil	Nil
Indirect - GST*	2	Unascertainable
<b><i>Directors &amp; Promoters</i></b>		
Direct	Nil	Nil
Indirect	Nil	Nil

\*For the Financial year 2017-2018 and 2018-2019 the company has two outstanding GST proceedings containing the reasons for the discrepancies found in the GSTR-3B.

## **PART 4: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers dues exceeding 5% of the trade payables for the last audited financial statements to small-scale undertakings and other creditors as material dues for our Company. As on

## **ARABIAN PETROLEUM LIMITED**

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December 31, 2021 there are approximately 2 creditors to whom our Company owes amounts exceeding 5% of our Company's Trade Payables and the aggregate outstanding dues to them being approximately Rs. 1375.06 lakhs. As on December 31, 2021, our Company owes amounts aggregating to Rs 2792.76 Lakhs approximately towards Trade Payables as per Restated Financial Statements, out of which an amount of Rs 440.44 Lakhs is due to micro and small scale undertakings. For the balance Trade payables, our Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure, if any, in relation to amount unpaid as at the year-end together with interest payable as required under the said Act have not been furnished. There are no disputes with such entities in relation to payments to be made to them. The details pertaining to amounts due towards such creditors are available on the website of our Company i.e. <http://www.arabianpetroleum.co.in>

### **PART 4: MATERIAL DEVELOPMENTS OCCURRING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled "*Management's Discussion & Analysis of Financial Conditions & Results of Operations*" beginning on page 192 of this Draft Prospectus there have been no material developments that have occurred after the Last Balance Sheet Date.

**GOVERNMENT AND OTHER STATUTORY APPROVALS**

*Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the issue or continue our business activities and except as mentioned below, no further approvals are required for carrying on our present or proposed business activities.*

*In view of the approvals listed below, we can undertake this issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Draft Prospectus.*

*The main objects clause of the Memorandum of Association of our Company and the objects incidental, enable our Company to carry out its activities. The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.*

**I. Approvals for the Issue**

The following approvals have been obtained or will be obtained in connection with the Issue

**Corporate Approvals:**

- a. Our Board, pursuant to its resolution dated April 06, 2022 authorized the Issue subject to approval of the shareholders of our Company under Section 62(1)(c) of the Companies Act, 2013 and such other authorities as may be necessary;
- b. The shareholders of our Company have, pursuant to their resolution passed at the annual general meeting of our Company held on April 09, 2022 under Section 62(1)(c) of the Companies Act, 2013, authorized the Issue;
- c. Our Board approved this Draft Prospectus pursuant to its resolution dated June 30, 2022;

**Approval from the Stock Exchange:**

- d. In-principle approval dated [●] from the NSE Emerge for using the name of the Exchange in the issue documents for listing of the Equity Shares issued by our Company pursuant to the issue.

**Agreements with NSDL and CDSL:**

- e. The company has entered into an agreement dated May 31, 2019 with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who in this case is Purva Sharegistry (India) Private Limited for the dematerialization of its shares.
- f. Similarly, the Company has also entered into an agreement dated February 17, 2022 with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who in this case is Purva Sharegistry (India) Private Limited for the dematerialization of its shares.
- g. ISIN No.: INE08NJ01024

**II. Incorporation related Approvals**

Sr.No	Nature of Registration/ License	CIN	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
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**ARABIAN PETROLEUM LIMITED**

1.	Certificate of Incorporation	U23200MH2009PTC191109	Companies Act, 1956	Registrar of Companies, Maharashtra, Mumbai	March 20, 2009	Valid till cancelled
2.	Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company	U23200MH2009PLC191109	Companies Act, 1956	Registrar of Companies, Maharashtra, Mumbai	December 16, 2011	Valid till Cancelled

**III. Tax Related Approvals**

Sr. No.	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Permanent Account Number (PAN)	Income Tax Act, 1961	Income Tax Department	AAHCA6383Q	March 20, 2009	Valid until cancelled
2.	Tax Deduction Account Number (TAN)	Income Tax Act, 1961	Income Tax Department	MUMA43838E	May 14, 2013	Valid until cancelled
3.	Certification of registration of Goods and Service tax	Maharashtra Goods and Services Tax Act, 2017	Deputy Commissioner of State Tax	27AAHCA6383Q1ZW	July 01, 2017	Valid until cancelled
4.	Certification of registration of Goods and Service tax	Haryana Goods and Services Tax Act, 2017	DS Goods and Service Tax Network 2	06AAHCA6383Q1Z0	March 27, 2019	Valid until cancelled
5.	Certification of registration of Goods and Service tax	Madhya Pradesh Goods and Services Tax Act, 2017	Assistant Commissioner of State Tax	23AAHCA6383Q1Z4	February 8, 2019	Valid until cancelled
6.	Certification of registration of Goods and Service tax	Punjab Goods and Services Tax Act, 2017	Excise And Taxation Officer-cum-State Tax Officer	03AAHCA6383Q1Z6	August 31, 2021	Valid until cancelled
7.	Certification of registration of Goods and Service tax	Centre Goods and Services Tax Act, 2017	Superintendent	24AAHCA6383Q1Z2	November 30, 2021	Valid until cancelled
8.	Professional Tax	Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975	DS Department of Goods and Service Tax Maharashtra 02	27941000762P	December 08, 2013	Valid until cancelled

**IV. General Approvals**

**ARABIAN PETROLEUM LIMITED**

Sr. No.	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	One Star Export House Certificate	Foreign Trade Policy 2015-2020	Directorate General of Foreign Trade	MUMSTATAPPL Y00067417AM22	August 18, 2021	August 18, 2026
2.	Registration cum Membership Certificate of Basic Chemicals, Cosmetics & Dyes Export Promotion	-	Dy. Director	0314002910	March 05, 2021	March 31, 2025
3.	Udyam Registration Certificate	MSME Development Act, 2006	Ministry of Micro, Small and Medium Enterprise	UDYAM-MH-33-0006618	August 27, 2020	Valid until cancelled
4.	License for API certification Mark on the products: a. Arzol Milage Synactiv b. Arzol Super Duty c. Arzol Synpros	API Certification mark	Engine Oil Licensing and Certification System	License No.3793	Originally issued on November 11, 2021 and renewed on March 09, 2022	March 31, 2023
5.	Approval for Arzol Milage Synactivs (Oil Code: OS329427) in respect of: a. Volvo VDS-3 approval b. Mack EO-N approval c. Renault VI RLD-2 approval	-	Volvo Group Trucks Technology	Approval No - 417-0002-21-2342	October 20, 2021	October 19, 2023
6.	Importer-Exporter Code.	The Foreign trade (Development and Regulation) Act, 1992	Directorate General of Foreign Trade, Office of Additional Director General of Foreign Trade, Mumbai	0314002910	April 11, 2014	Valid until cancelled
7.	License under Lubricating oils and greases	Lubricating Oils and Greases (Processing, Supply & Distribution Regulation) Order, 1987	Competent Authority, State of Maharashtra & Joint Director of Industries, Konkan Division Thane	JDI/KD/Lub Oil & Grease/ Arabian Petroleums Limited /2020/ 2591	July 04, 2020	July 03, 2025

**V. Approvals obtained in relation to business operations of our Company**

Our Company requires various approvals and/or licenses to carry on our business. Some of these may expire in the ordinary course of business and applications for renewal of these approvals are submitted in accordance with applicable procedures and requirements.

**ARABIAN PETROLEUM LIMITED**

I. **Factory-1:** Plot No. 14-B, Morivali MIDC, Opposite Positive Packaging, Ambernath (W), Ambernath, District-Thane-421505, Maharashtra, India.

Sr. No	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Consent to Operate	Water (Prevention and Control of Pollution Act, 1974 Air (Prevention & Control of Pollution) Act, 1981 Hazardous & other Wastes (Management & Transboundary Movement)	Maharashtra Pollution Control board	MPCB/SRO K-II/18/180300 0923/30	March 17, 2018	January 31, 2027
2.	Factory License	Factories Act 1948	Assit. Director Industrial Security and Welfare, Maharashtra State, Kalyan	12170192010 0A-2	January 28, 2020	December 31, 2024
3.	Certificate of Legal Metology for: 1. Nawi- Electornics Scale- Max. capacity- 500 Kgs. 2. Nawi Electronic scale: Max. capacity- 50 kg/ 100 kg	The Legal Metology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011	Inspector of Legal Metrology, Ulhasnagar	S. No. 91202109613 829	July 27, 2021	July 26, 2022
4.	Certificate of Legal Metology for: Automatic Weighing Instruments: Maximum Capacity: 2000 kg	The Legal Metology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011	Inspector of Legal Metrology, Ulhasnagar	S. No. 91202109613 827	July 27, 2021	July 26, 2022
5.	Certificate of Legal Metology for: 1. Nawi- Electornics Scale- Max. capacity- 50 Kgs. 2. Nawi Electronic scale: Max. capacity- 220 kg 3. Nawi Electronic Scale: Maximum Capacity 10 Kg/ 20 kg/ 30kg	The Legal Metology Act, 2009 and The Maharashtra Legal Metrology (Enforcement) Rules, 2011	Inspector of Legal Metrology, Ulhasnagar	S. No. 91202109613 828	July 27, 2021	July 26, 2022

II. **Factory-2:** Plot no. 14B/1, Morivali MIDC, opp. Positive Packaging Ambernath (W), Distt- Thane-421505, Maharashtra, India

Sr. No	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Consent to	Water (Prevention	Maharashtra	MPCB/SRO-	January 13,	December

**ARABIAN PETROLEUM LIMITED**

	Operate	and Control of Pollution Act, 1974 Air (Prevention & Control of Pollution) Act, 1981 Hazardous & other Wastes (Management & Transboundary Movement)	Pollution Control board	Kalyan III/Consent/22 01000625	2022	31, 2027
2.	Occupancy Certificate	MR&TP Act 1966	Executive Engineer & Special Planning Authority	MIDC/SPA/E/AMB/A95712	March 13, 2020	-
3.	Factory License	Factories Act 1948	Asst. Director Industrial Security and Welfare Maharashtra State, Kalyan	12170192010 0A-3	July 30, 2021	December 31, 2022

III. **Corporate Office:** Office No. 629/ 630 Avior Corporate Park, LBS Marg, Nirmal Galaxy, Mulund west, Mumbai Suburban, Maharashtra, 400080

Sr. No	Description	Applicable Laws	Issuing Authority	Registration Number	Date of Issue	Date of Expiry
1.	Maharashtra Shops and establishment	Regulation of Employment and condition of service Act, 2017	Office of the Chief facilitator	890588597	April 21, 2022	Valid until cancelled

**VI. Labour related Approvals obtained by our Company**

I. **Factory 1:** Plot No. 14-B, Morivali MIDC, Opposite Positive Packaging, Ambernath (W), Ambernath District-Thane-421505, Maharashtra, India.

Sr. No.	Description	Applicable Laws	Authority	Registration Number	Date of Issue	Date of Expiry
1.	Registration under ESI	Employees State Insurance Act, 1948	Sub-Regional Office , Employees' State Insurance Corporation	34000309330000399	September 21, 2015	Valid until cancelled
2.	Registration under Employees' Provident Funds	Employees (Provident Fund and Miscellaneous Provisions) Act, 1952	Regional Office Thane	THTHA1367400	September 08, 2015	Valid until cancelled

**VII. Quality Certifications**

I. **Factory 1:** Plot No. 14-B, Morivali MIDC, Opposite Positive Packaging, Ambernath (W), Ambernath District-Thane-421505, Maharashtra, India.

**ARABIAN PETROLEUM LIMITED**

Sr. No.	Description	Nature of Registration	Registration/ Certificate No.	Issuing Authority	Date of Issue	Date of Expiry
1	ISO 9001:2015	Quality Management System for following scope of activities: Manufacturing and supply of Industrial and Automotive Lubricants	21IQJS12	AQC middle East LLC	October 23, 2021	October 22, 2024
2	ISO 45001:2018	Occupational, health and Safety Management System for following scope of activities: Manufacturing and supply of Industrial and Automotive Lubricants	21HOJU12	AQC middle East LLC	October 23, 2021	October 22, 2024
3	ISO 14001:2015	Environmental Management System for following scope of activities: Manufacturing and supply of Industrial and Automotive Lubricants	21IEJN02	AQC middle East LLC	October 23, 2021	October 22, 2024

**VIII. Intellectual Property Related Approval**

The details of trademarks registered used by our Company are:-

Sr No	Brand Name Logo/ Trademark	Class	Nature of Trademark	Owner	Application Number and Date	Valid Upto	Status
1	Trademark <sup>(1)</sup>	4	<p>SPL</p>  <p>LUBRICANTS</p>	Mr. Hemant Mehta	App. No. 1390514 Dated: October 11, 2005	October 11, 2025	Registered
2	Trademark <sup>(2)</sup>	4	Arzol	Mr. Manan Mehta	App. No. 3152888 Dated January 07, 2016	January 07, 2026	Registered
3	Trademark <sup>(2)</sup>	4	<b>ARZOL</b>	Mr. Manan Mehta	App. No. 4662921 Dated: September 18, 2020	September 18, 2030	Registered
4	Trademark <sup>(3)</sup>	4	Abzol	Mr. Manan Mehta	App. No. 3152887 Dated: 07/01/2016	January 07, 2026	Registered

<sup>(1)</sup>The said Trademark is registered in the name of our Promoter and Managing Director, Mr. Hemant Dalsukhrai Mehta and is used by company vide Memorandum of Understanding between Mr. Hemant Dalsukhrai Mehta and our company dated April 01, 2016.

**ARABIAN PETROLEUM LIMITED**

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<sup>(2)</sup>The said Trademark is registered in the name of our Promoter and Whole Time Director, Mr. Manan Hemant Mehta and is used by company vide Memorandum of Understanding between Mr. Manan Hemant Mehta and our company dated April 01, 2016.

<sup>(3)</sup>The said Trademark is registered in the name of our Promoter and Whole Time Director, Mr. Manan Hemant Mehta and is used by company vide NOC dated January 14, 2018 issued by Mr. Manan Hemant Mehta

**IX. APPLICATIONS YET TO BE MADE**

1. The Company is yet to apply for quality certification for its factory 2

**OUR GROUP COMPANY**

As per the SEBI (ICDR) Regulations, 2018, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and other Companies as considered material by our Board. Further, pursuant to a resolution of our Board dated April 30, 2022 for the purpose of disclosure in relation to Group Company in connection with the Issue, a company shall be considered material and disclosed as a Group Company if such company fulfils both the below mentioned conditions: -

(i) Such company that forms part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI(ICDR)Regulations; and

(ii) Our Company has entered into one or more transactions with such company in preceding fiscal or audit period as the case may be exceeding 10.00% of total revenue of the company as per Restated Financial Statements.

Based on the above, none of the Companies has been identified as our Group Companies.

**OTHER REGULATORY AND STATUTORY DISCLOSURES**

**Authority for the Issue**

**Corporate Approvals**

Our Board has approved the Issue pursuant to the resolution passed at its meeting held on April 06, 2022 and our Shareholders have approved the Fresh Issue pursuant to the resolution passed at their meeting held on April 09, 2022 under Section 62(1)(c) of the Companies Act, 2013.

**In-principal Approval**

Our Company has obtained in-principal approval from the NSE Emerge for using its name in this Draft Prospectus/ Prospectus pursuant to an approval letter dated [●] from NSE which is the Designated Stock Exchange.

**Prohibition by SEBI, RBI or governmental authorities**

We confirm that our Company, our Promoter, our Promoter Group, our Directors, person(s) in control of the promoter, our Group Companies or the natural person(s) in control of our Company are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the Board or any securities market regulator in any other jurisdiction or any other authority/court.

The companies, with which our Directors are or were associated as promoter, directors or persons in control are not prohibited or debarred from accessing capital markets under any order or direction passed by SEBI or any other regulatory authority.

None of our Directors or the entities that our Directors are associated with as promoter or directors are in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any entity in which our Directors are associated with as promoter or directors.

**Prohibition with respect to willful defaulters**

Neither our Company, our Promoter, our Directors, Group Companies, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as willful defaulters as defined by the SEBI ICDR Regulations, 2018.

**Compliance with the Companies (Significant Beneficial Ownership) Rules, 2018**

Under the SBO Rules certain persons who are 'significant beneficial owners', are required to intimate their beneficial holdings to our Company in Form no. BEN-1. As on date of Draft Prospectus, there are no such significant beneficial owners of the company.

**Eligibility for the Issue**

Our Company is eligible in terms of Regulations 230 of SEBI (ICDR) Regulations for this issue.

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this issue is an Initial Public Offer in terms of the SEBI (ICDR) Regulations.

Our Company is eligible for the Issue in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is more than 10 crore rupees but less than 25 crore rupees and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the "NSE Emerge").

**We confirm that:**

1. In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this issue will be 100% underwritten and

## **ARABIAN PETROLEUM LIMITED**

that the LM to the Issue shall underwrite minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled "**General Information – Underwriting**" beginning on page 45 of this Draft Prospectus.

2. In accordance with Regulation 268 of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or Equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within eight (8) Working Days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of eight (8) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.

3. In terms of Regulation 246(5) of the SEBI (ICDR) Regulations, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies. Further, in terms of Regulation 246(2), SEBI shall not issue observation on the Draft Prospectus/ Prospectus.

4. In accordance with Regulation 261(1) of the SEBI (ICDR) Regulations, we hereby confirm that we will enter into an agreement with the Lead Manager and with Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the NSE Emerge. For further details of the arrangement of market making please refer to section titled "**General Information – Details of the Market Making Arrangements for this Issue**" beginning on page 45 of this Draft Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

1. Our Company shall mandatorily facilitate trading in Demat securities and has entered into an agreement with both the depositories.
2. Our Company has a website i.e. <https://www.arabianpetroleum.co.in//>

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge:-

3. There has been no change in the promoter's of the Company in the preceding one year from date of filing application to NSE for listing on SME segment.

We confirm that we comply with all the below requirements/ conditions so as to be eligible to be listed on the NSE Emerge.

Our Company was originally incorporated as "Arabian Petroleum Private Limited" under the provisions of the Companies Act, 1956 vide Certificate of Incorporation dated March 20, 2009 bearing registration No. 191109 issued by Registrar of Companies, Maharashtra, Mumbai. Subsequently our Company was converted into a public limited company vide special resolution passed by the shareholders at the Extra Ordinary General Meeting held on November 11, 2011 and consequently the name of our Company was changed from "Arabian Petroleum Private Limited" to "Arabian Petroleum Limited" vide fresh Certificate of Incorporation granted to our Company consequent upon conversion into public limited company dated December 16, 2011 by the Registrar of Companies, Mumbai bearing Corporate Identification Number U23200MH2009PLC191109.

1. The post issue paid up capital of the company will be 1,08,92,000 shares of face value of Rs.10/- aggregating up to Rs. 10,89,20,000 which is less than Rs. 25 Crores.
2. The Company has a track record of at least 3 years as on the date of filling Draft Prospectus.
3. The Company has positive cash accruals (earnings before depreciation and tax) from operations for at least 2 financial years preceding the application and its net-worth as on September 30, 2021 is positive.

(Rs in lakhs)

Particulars	Period ending December 31, 2021	For the year ending		
		March 31, 2021	March 31, 2020	March 31, 2019

**ARABIAN PETROLEUM LIMITED**

Net worth	1,645.28	1,301.98	1,014.44	733.21
Earnings before interest, depreciation and tax	616.18	618.61	521.01	278.05

4. Our Company confirms that there is no material regulatory or disciplinary action by a stock exchange or regulatory authority in the past one year in respect of promoter, Group Companies, companies promoted by the promoter of the Company;
5. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR);
6. There is no winding up petition against our Company that has been admitted by the Court or a liquidator has not been appointed of competent Jurisdiction against the Company.
7. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the company.
8. The directors of the issuer are not associated with the securities market in any manner, and there is no outstanding action against them initiated by the Board in the past five years

**DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF DRAFT OFFER DOCUMENT/ OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT. THE LEAD MANAGER, HEM SECURITIES LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT/ OFFER DOCUMENT, THE LEAD MANAGER, HEM SECURITIES LIMITED IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, HEM SECURITIES LIMITED, HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED JUNE 30, 2022 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ICDR), REGULATION 2018.**

The filing of this Draft Prospectus does not, however, absolve our Company from any liabilities under Section 34, Section 35, Section 36 and Section 38 (1) of the Companies Act, 2013 or from the requirement of obtaining such statutory and/ or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the LM any irregularities or lapses in the Prospectus.

All legal requirements pertaining to the Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies, Mumbai, Maharashtra in terms of sections 26, 32 and 33 of the Companies Act, 2013.

**Statement on Price Information of Past Issues handled by Hem Securities Limited:**

Sr. No	Company name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing	+/- % change in closing price, [+/- % change in	+/- % change in closing price, [+/- % change in

**ARABIAN PETROLEUM LIMITED**

						benchmark]- 30 <sup>th</sup> calendar days from listing	closing benchmark]- 90 <sup>th</sup> calendar days from listing	closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Suratwala Business Group Limited	6.90	15.00	August 13, 2020	15.45	6.67% [1.38%]	46.67% [13.79%]	210.00% [33.98%]
2.	Knowledge Marine & Engineering Works Limited	10.12	37.00	March 22, 2021	38.00	0.68% [-3.40%]	31.08% [5.63%]	14.59% [17.52%]
3.	EKI Energy Services Limited	18.60	102.00	April 07, 2021	140.00	225.20% [-0.92%]	608.48% [6.44%]	3029.41% [19.41%]
4.	DU Digital Technologies Limited	4.485	65.00	August 26, 2021	60.00	53.85% [7.32%]	113.85% [4.68%]	257.85% [2.74%]
5.	Prevest Denpro Limited	26.61	84.00	September 27, 2021	180.55	186.61% [1.77%]	270.83% [-4.92%]	323.51% [-4.13%]
6.	Jainam Ferro Alloys (I) Limited	19.61	70.00	October 08, 2021	73.00	3.57% [0.97%]	21.43% [-0.83%]	137.86% [-0.49%]
7.	Shri Venkatesh Refineries Ltd.	11.71	40.00	October 11, 2021	42.00	9.50% [0.36%]	47.88% [-0.65%]	215.00% [-1.94%]
8.	KN Agri Resources Limited	49.38	75.00	March 28, 2022	153.65	212.40% [-1.07%]	83.60% [-9.70%]	N.A.
9.	Krishna Defence and Allied Industries Limited	11.89	39.00	April 06, 2022	75.00	112.82% [-7.84%]	N.A.	N.A.
10.	Eighty Jewellers Limited	11.07	41.00	April 13, 2022	42.00	0.49% [-9.51%]	N.A.	N.A.

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com) , Issue Information from respective Prospectus.

**Summary statement of Disclosure:**

Financial Year	Total no. of IPOs	Total amount of funds raised (Rs. Cr.)	No. of IPOs at trading discount- calendar days from listing			No. of IPOs at trading Premium- calendar days from listing			No. of IPOs at trading discount- calendar days from listing			No. of IPOs at trading Premium- calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2020-	2 <sup>(1)</sup>	17.02	-	-	-	-	-	2	-	-	-	1	-	1

## **ARABIAN PETROLEUM LIMITED**

21														
2021-22	6 <sup>(2)</sup>	130.40	-	-	-	4	-	2	-	-	-	5	-	-
2022-23	2 <sup>(3)</sup>	22.96	-	-	-	1	-	1	-	-	-	-	-	-

- 1) *The scrip of Suratwala Business Group Limited and Knowledge Marine & Engineering Works Limited was listed on August 13, 2020 and March 22, 2021 respectively.*
- 2) *The scrip of EKI Energy Services Limited, DU Digital Technologies Limited, Prevest Denpro Limited, Jainam Ferro Alloys (I) Limited, Shri Venkatesh Refineries Ltd. and KN Agri Resources Limited was listed on April 7, 2021, August 26, 2021, September 27, 2021, October 08, 2021, October 11, 2021 and March 28, 2022 respectively. The scrip of KN Agri Resources Limited has not completed its 90th day from the date of its listing.*
- 3) *The scrip of Krishna Defence and Allied Industries Limited and Eighty Jewellers Limited was listed on April 06, 2022 and April 13, 2022 respectively. The scrip of Krishna Defence and Allied Industries Limited and Eighty Jewellers Limited has not completed its 90th days from the date of its listing.*

### **Note:**

- a) Based on date of listing.
- b) BSE SENSEX and CNX NIFTY have been considered as the benchmark index.
- c) Prices on BSE/NSE are considered for all of the above calculations.
- d) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the next trading day has been considered.
- e) In case 30<sup>th</sup> /90<sup>th</sup> /180<sup>th</sup> day, scrips are not traded then last trading price has been considered.
- f) N.A. – Period not completed.
- g) As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect max. 10 issues (initial public offerings managed by the lead manager. Hence, disclosures pertaining to recent 10 issues handled by lead manager are provided.

### **Track Record of past issues handled by Hem Securities Limited**

For details regarding track record of LM to the Issue as specified in the Circular reference no. CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, please refer the website of the LM at: [www.hemsecurities.com](http://www.hemsecurities.com).

### **Disclaimer from our Company and the Lead Manager**

Our Company, the Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Prospectus or, in the advertisements or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at their own risk.

The LM accept no responsibility, save to the limited extent as provided in the Agreement entered between the LM (Hem securities Limited), and our Company on June 10, 2022 and the Underwriting Agreement dated [●] entered into between the Underwriter, and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company, and the Lead Manager to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The Lead Manager and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Companies, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Companies, and our affiliates or associates for which they have received and may in future receive compensation.

**Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company, and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriter and their respective Directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Offer.

**Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of Rs.2,500.00 Lakhs and pension funds with a minimum corpus of Rs.2,500.00 Lakhs, and permitted non-residents including FIIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India provided that they are eligible under all applicable laws and regulations to hold Equity Shares of our Company. This Draft Prospectus does not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in Mumbai, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**Disclaimer Clause of the NSE Emerge**

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter [●] permission to the Issuer to use the Exchange's name in this Offer Document as one of the stock exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinized draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its Promoter, its management or any scheme or project of this Issuer. Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**Disclaimer Clause under Rule 144A of the U.S. Securities Act**

## **ARABIAN PETROLEUM LIMITED**

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The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulations under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulations of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Draft Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400051, Maharashtra, India.

The Draft Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Prospectus along with copy of material contracts and material documents as mentioned on page 284 of this Draft Prospectus, will be delivered to the Registrar of Companies, Mumbai, 100, Everest, Marine Drive, Mumbai- 400002, Maharashtra.

### **Listing**

The Equity Shares of our Company are proposed to be listed on NSE Emerge. Our Company has obtained in-principle approval from NSE of India Ltd by way of its letter dated [●] for listing of equity shares on NSE Emerge.

NSE will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the SME Platform is not granted by NSE, our Company shall forthwith repay, all moneys received from the applicants in pursuance of this Prospectus. If such money is not repaid within the prescribed time then our Company becomes liable to repay it, then our Company and every officer in default shall, shall be liable to repay such application money, with interest, as prescribed under the applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the NSE Emerge mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Issue within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

## **ARABIAN PETROLEUM LIMITED**

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- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013.

### **Consents**

Consents in writing of Our Directors, Our Promoter, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Our Banker to the Company, Lead Manager, Registrar to the Issue, Banker to the Issue\*, Legal Advisor to the Issue, Sponsor Bank\*, Underwriter to the Issue\* and Market Maker to the Issue\* to act in their respective capacities have been obtained as required under section 26 and 32 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Prospectus with RoC and their consents as above would be obtained prior to the filing of the Prospectus with RoC.*

In accordance with the Companies Act and the SEBI (ICDR) Regulations, 2018, M/s. M N T and Associates LLP, Chartered Accountants, Statutory Auditor of the Company has agreed to provide their written consent to the inclusion of their respective reports on Statement of Possible Tax Benefits relating to the possible tax benefits and restated financial statements as included in this Draft Prospectus/ Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

### **Experts Opinion**

Except for the reports in the section titled ***“Financial Statements and “Statement of Tax Benefits”*** on page 144 and 81 respectively of this Draft Prospectus from the Statutory Auditor, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### **Fees, Brokerage and Selling Commission payable**

The total fees payable to the Lead Manager will be as per the (i) Agreement dated June 10, 2022 with the Lead Manager, (ii) the Underwriting Agreement dated [●] with the Underwriter and (iii) the Market Making Agreement dated [●] with the Market Maker, a copy of which is available for inspection at our Corporate Office from 10.00am to 5.00 pm on Working Days from the date of the Draft Prospectus until the Issue Closing Date.

### **Fees Payable to the Registrar to the Issue**

The fees payable to the Registrar to the Issue for processing of applications, data entry, printing of CAN, tape and printing of bulk mailing register will be as per the agreement between our Company, and the Registrar to the Issue dated December 16, 2021a copy of which is available for inspection at our Company’s Registered Office.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send allotment advice by registered post/ speed post.

### **Particulars regarding Public or Rights Issues during the last five (5) years**

Our Company has not made any previous public or rights issue in India or Abroad the five (5) years preceding the date of this Draft Prospectus.

### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to the section titled ***“Capital Structure”*** beginning on page 53 of this Draft

Prospectus.

### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

### **Previous capital issue during the last three years by listed Group Companies of our Company**

None of our Group Companies are listed. Further, none of our Group Companies have made any capital issue of securities in the preceding three years.

### **Performance vis-à-vis objects**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Therefore, data regarding promise versus performance is not applicable to us.

### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

As on the date of this Draft Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

### **Partly Paid-Up Shares**

As on the date of this Draft Prospectus, there are no partly paid-up Equity Shares of our Company.

### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Draft Prospectus.

### **Option to Subscribe**

- a. Investors will get the allotment of specified securities in dematerialization form only.
- b. The equity shares, on allotment, shall be traded on stock exchange in Demat segment only.

### **Stock Market Data for our Equity Shares**

Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations, and this Issue is an "Initial Public Offering" in terms of the SEBI (ICDR) Regulations. Thus there is no stock market data available for the Equity Shares of our Company.

### **Investor Grievances and Redressal System**

The agreement between the Registrar to the Issue, our Company provides for retention of records with the Registrar to the Issue for a period of at least three (3) years from the last date of dispatch of the letters of allotment and Demat credit to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

We hereby confirm that there is no investor complaints received during the three years preceding the filing of this Draft Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Draft Prospectus.

Investors may contact the LM for any complaint pertaining to the Issue. All grievances, may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, where the Bid cum Application Form was submitted, quoting the full name of the sole or first Applicant, Bid cum Application Form number,

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Applicants' DP ID, Client ID, PAN, address of the Applicant, number of Equity Shares applied for, date of Bid cum Application Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Applicant shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/ information mentioned hereinabove. Our Company, LM and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be within 15 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Yesha Chetan Gandani, Company Secretary, as the Compliance Officer to redress complaints, if any, of the investors participating in the Issue. Contact details for our Company Secretary and Compliance Officer are as follows:

Ms. Yesha Chetan Gandani

**Address:** C/604, Prafulla Paradise, Opp. Kalyan Hospital,  
Barave Road, Khadakpada, Kalyan (West) - 421301

**Tel. No.:** 0251-2395601

**E-mail:** cs@arabianpetroleum.co.in

**Website:** www.arabianpetroleum.co.in

Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account etc.

Pursuant to the press release no. PR. No. 85/2011 dated June 8, 2011, SEBI has launched a centralized web based complaints redress system "SCORES". This would enable investors to lodge and follow up their complaints and track the status of redressal of such complaints from anywhere. For more details, investors are requested to visit the website [www.scores.gov.in](http://www.scores.gov.in).

Our Board by a resolution on April 30, 2022 constituted a Stakeholders Relationship Committee. For further details, please refer to section titled "***Our Management***" beginning on page 124 of this Draft Prospectus.

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Draft Prospectus and hence there are no pending investor complaints as on the date of this Draft Prospectus.

### **Disposal of investor grievances by listed companies under the same management as our Company**

We do not have any listed company under the same management.

### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "***Statement of Tax Benefits***" beginning on page 81

### **Capitalization of Reserves or Profits**

Save and except as stated in "***Capital Structure***" on page 53 of this Draft Prospectus, our Company has not capitalized its reserves or profits at any time since inception.

### **Revaluation of assets**

Our Company has not revalued its assets since incorporation.

**Servicing Behaviour**

There has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

**Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation. Except as disclosed under sections titled "*Our Management*"; and "*Related Party Transactions*" beginning on page 124 and 181 respectively, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.

**EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI**

As on date of the Draft Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI

**SECTION VIII**  
**ISSUE RELATED INFORMATION**

**TERMS OF THE ISSUE**

*The Equity Shares being Issued are subject to the provisions of the Companies Act, SCRA, SCRR, SEBI (ICDR) Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, any Confirmation of Allocation Note ("CAN"), the Revision Form, Allotment advices, and other terms and conditions as may be incorporated in the Allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the GoI, the Stock Exchange, the RoC, the RBI and/or other authorities, as in force on the date of the Issue and to the extent applicable or such other conditions as may be prescribed by SEBI, RBI, the GoI, the Stock Exchange, the RoC and/or any other authorities while granting its approval for the Issue.*

*Please note that in terms of SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015, all the investors applying in this issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue shall use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorized to collect the Application forms. Investor may visit the official website of the concerned for any information on operationalization of this facility of form collection by the Registrar to the Issue and Depository Participants as and when the same is made available.*

**Authority for the Issue**

The present Public Issue of upto 28,92,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on April 06, 2022 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra- Ordinary General Meeting held on April 09, 2022 in accordance with the provisions of Section 62(1)(c) of the Companies Act, 2013.

**Ranking of Equity Shares**

The Equity Shares being issued shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment.

For further details, please refer to "**Main Provisions of Articles of Association of the Company**" on page 255 of the Draft Prospectus.

**Mode of Payment of Dividend**

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to "**Dividend Policy**" on page 143 of the Draft Prospectus.

**Face Value and Issue Price**

The Equity Shares having a Face Value of Rs.10.00 each are being issued in terms of the Draft Prospectus/ Prospectus at the price of Rs.[●] per Equity Share (including premium of Rs.[●] per share).

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The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under section titled "*Basis for Issue Price*" beginning on page 78 of this Draft Prospectus. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### **Compliance with SEBI ICDR Regulations, 2018**

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports & Notices to members
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled "*Main Provisions of Articles of Association of the Company*" beginning on page 255 of the Draft Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being issued can be applied for in the dematerialized form only. In this context, two agreements shall be signed among our Company, the respective Depositories and Registrar to the Issue.

- Tripartite Agreement dated February 17, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated May 31, 2019 between CDSL, our Company and Registrar to the Issue; and

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

### **Minimum Number of Allottees**

The minimum number of allottees in the issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

**Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

**Withdrawal of the Issue**

Our Company in consultation with the LM, reserve the right to not to proceed with the issue after the Bid/issue Opening date but before the Allotment. In such an event, our Company would issue a public notice in the newspaper in which the pre-issue advertisements were published, within two days of the Bid/issue Closing date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the issue. The LM through, the Registrar of the issue, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one working day from the date of receipt of such notification. Our Company shall also inform the same to the stock exchange on which equity shares are proposed to be listed.

**Issue Program:**

<b>Event</b>	<b>Indicative Date</b>
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	[●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	[●]
Credit of Equity Shares to Demat accounts of Allottees	[●]
Commencement of trading of the Equity Shares on the Stock Exchange	[●]

The above timetable is indicative and does not constitute any obligation on our Company or the Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading

approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Issue Closing Date). On the Issue Closing Date, the Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Applicants. The time for applying for Retail Individual Applicants on Issue Closing Date maybe extended in consultation with the LM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Application Forms on the Issue Closing Date, Applicants are advised to submit their applications one (1) day prior to the Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Issue Closing Date. Any time mentioned in this Draft Prospectus is IST. Applicants are cautioned that, in the event a large number of Application Forms are received on the Issue Closing Date, as is typically experienced in public Issue, some Application Forms may not get uploaded due to the lack of sufficient time. Such Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the LM is liable for any failure in uploading the Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Application Forms prior to the Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

### **Minimum Subscription and Underwriting**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this issue document including devolvement of Underwriter within sixty days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under section 40 of the Companies Act, 2013.

In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “**General Information - Underwriting**” on page 45 of this Draft Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

### **Migration to Main Board**

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board of NSE from NSE Emerge on a later date subject to the following:

If the Paid up Capital of the company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), we shall have to apply to NSE for listing our shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

If the Paid up Capital of the company is more than Rs. 10 crores but below Rs. 25 crores, we may still apply for

migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the promoter in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares issued through this issue are proposed to be listed on the NSE Emerge, wherein the Lead Manager to this issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (three) years from the date of listing on the NSE Emerge.

For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to section titled "**General Information - Details of the Market Making Arrangements for this issue**" on page 45 of this Draft Prospectus.

### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the NSE Emerge.

### **As per the extent Guideline of the Government of India, OCBs cannot participate in this issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Option to receive Equity Shares in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the issue shall be allotted only in dematerialized form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form on the Stock Exchange.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company through this issue.

### **Application by Eligible NRI's, FPI's, VCF's, AIF's registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs, VCF or AIF's registered with SEBI. Such Eligible NRIs, FPIs, VCF or AIF's registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- issue Equity Shares and Promoter minimum contribution in the issue as detailed under section titled "**Capital Structure**" beginning on page 53 of this Draft Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer to section titled "**Main Provisions of the Articles of Association**" beginning on page 255 of this Draft Prospectus.

**Pre-issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

**Jurisdiction**

Exclusive jurisdiction for the purpose of this issue is with the competent courts / authorities in Mumbai, India. The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be issued or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being issued or sold outside the United States in compliance with Regulation under the Securities Act and the applicable laws of the jurisdictions where those Issue and sales occur. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up capital is more than or equal to ten Crore rupees but less than twenty five crore rupees, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ("*SME Exchange*", in this case being the SME platform of NSE). For further details regarding the salient features and terms of such an issue please refer chapter titled "*Terms of the Issue*" and "*Issue Procedure*" on page 223 and 232 of this Draft Prospectus.

The Issue comprises of a Public Issue of upto 28,92,000 Equity Shares of Face Value of 10/- each fully paid (The "Equity Shares") for cash at a price of Rs. [●] per Equity Shares (including a premium of Rs. [●] per equity share) aggregating to [●] Lakhs ("the issue") by our Company of which [●] Equity Shares of Rs.10 each will be reserved for subscription by Market Maker Reservations Portion and a Net Issue to public of [●] Equity Shares of Rs.10 each is hereinafter referred to as the net issue. The Issue and the Net Issue will constitute 26.55% and [●] respectively of the post issue paid up Equity Share Capital of the Company.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Number of Equity Shares available for allocation</b>	[●] Equity Shares	[●] Equity Shares
<b>Percentage of Issue Size available for allocation</b>	[●] of the Issue Size	[●] of the Issue Size
<b>Basis of Allotment</b>	Proportionate subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares each. For further details please refer to " <i>Issue Procedure - Basis of Allotment</i> " on page 232 of this Draft Prospectus.	Firm Allotment
<b>Mode of Application</b>	All the applicants shall make the application (Online or Physical) through ASBA Process including through UPI mode (as applicable)	Through ASBA Process Only.
<b>Mode of Allotment</b>	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
<b>Minimum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares at an Issue price of Rs.[●] each, such that the Application Value exceeds Rs. 2,00,000/- <b><u>For Retail Individuals Investors:</u></b> [●] Equity Shares at an Issue price of Rs.[●] each.	[●] Equity Shares
<b>Maximum Application Size</b>	<b><u>For Other than Retail Individual Investors:</u></b> The maximum application size is the Net Issue to public subject to limits the investor has to adhere under the relevant laws and regulations applicable. <b><u>For Retail Individuals Investors:</u></b> Such number of Equity Shares in multiples of [●] Equity Shares such that the Application Value does not exceed Rs. 2,00,000/-.	[●] Equity Shares
<b>Trading Lot</b>	[●] Equity Shares	[●] Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018.

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Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
<b>Terms of Payment</b>	The entire Application Amount shall be blocked by the SCSBs in the bank account of Applicants, or by the Sponsor Banks through UPI mechanism (for RIIs using the UPI mechanism) at the time of the submission of the Application Form	

This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

\*Since present issue is a fixed price issue, the allocation in the net offer to the public category in terms of Regulation 253 of the SEBI (ICDR) Regulations, 2018 shall be made as follows:

- a) Minimum of 50.00% of the net offer of shares to the public shall be made available for Retail Individual Investors; and
- b) The balance Net Issue of shares to the Public shall be made available for allotment to individual Applicants other than Retail Individual Applicant and other Investors including Non-Institutional Investors, Qualified Institution Buyers, Corporate Bodies/ Institutions.

*Note: If the retail individual investor category is entitled to more than the allocated portion on proportionate basis, accordingly the retail individual investors shall be allocated that higher percentage.*

**Withdrawal of the Issue**

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

If our Company withdraws the Issue after the Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Prospectus with RoC.

**Issue Program:**

<b>ISSUE OPENING DATE</b>	[●]
<b>ISSUE CLOSING DATE</b>	[●]

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centers mentioned in the Application Form.

Standardization of cut-off time for uploading of applications on the Issue Closing Date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of applications.
- b) A standard cut-off time of 4.00 p.m. for uploading of applications received from other than retail individual applicants.
- c) A standard cut-off time of 5.00 p.m. for uploading of applications received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total

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number of applications received up to the closure of timings and reported by LM to NSE within half an hour of such closure.

It is clarified that Applications not uploaded would be rejected. In case of discrepancy in the data entered in the electronic form vis-à-vis the data contained in the physical Application form, for a particular applicant, the details as per physical application form of that Applicant may be taken as the final data for the purpose of allotment.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

**ISSUE PROCEDURE**

All Applicants should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Applicants may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Applicants eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Applicants and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company and Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company and Lead Manager would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Prospectus. Applicants are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the Full Application Amount along with the Application Form.

**Phased implementation of Unified Payments Interface**

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SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the "UPI Circulars") in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six working days to up to three working days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 1, 2019 and will continue till June 30, 2019. Under this phase, a Retail Individual Applicant would also have the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.

**Phase II:** This phase commenced on completion of Phase I and will continue till March 31, 2020. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

**Phase III:** Subsequently, the time duration from public issue closure to listing would be reduced to be three Working Days.

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers are to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the Lead Manager.

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made in compliance with the provisions of Reg. 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018 and through the Fixed Price Process wherein 50% of the Net Issue to Public is being offered to the Retail Individual Applicants and the balance shall be offered to Non-Retail Category i.e. QIBs and Non-Institutional Applicants. However, if the aggregate demand from the Retail Individual Applicants is less than 50%, then the balance Equity Shares in that portion will be added to the non retail portion offered to the remaining investors including QIBs and NIIs and vice-versa subject to compliance with Regulation 253(2) of the SEBI ICDR Regulations and subject to valid Applications being received from them at or above the Issue Price.

Subject to the valid Applications being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Retail Portion where Allotment to each Retail Individual Applicants shall not be less than the minimum lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under subscription, if any, in any category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.

**Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicants' depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not**

have the details of the Applicants' PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

**Application Form**

Retail Individual Applicants can submit their Applications by submitting Application Forms, in physical form or in electronic mode, to the members of the Syndicate, the sub-Syndicate, the SCSBs, the Registered Brokers, Registrars to an Issue and Share Transfer Agents and Depository Participants.

Application Forms will be available with the Syndicate/sub-Syndicate members, SCSBs and at our Registered Office. In addition, the Application Forms will also be available for download on the website of the Company, Lead Manager and Stock Exchange, NSE Emerge, at least one day prior to the Issue Opening Date.

All Applicants shall mandatorily participate in the Issue only through the ASBA process. ASBA Applicants must provide bank account details and authorization to block funds in the relevant space provided in the Application Form or alternatively, the Retail Individual Applicants wishing to apply through UPI Channel, may provide the UPI ID and validate the blocking of the funds and the Application Forms that do not contain such details are liable to be rejected. For further details on the UPI Channel please refer SEBI circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

Applicants shall ensure that the Applications are made on Application Forms bearing the stamp of a member of the Syndicate or the Registered Broker or the SCSBs or Registrars to an Issue and Share Transfer Agents or Depository Participants, as the case may be, submitted at the Collection centres only (except in case of electronic Application Forms) and the Application Forms not bearing such specified stamp are liable to be rejected.

Pursuant to SEBI Circular dated January 1, 2016 and bearing no. CIR/CFD/DIL/1/2016, the Application Form has been standardized. Also, please note that pursuant to SEBI Circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in public issues can only invest through ASBA mode. The prescribed colours of the Application Form for various investors applying in the Issue are as follows:

<b>Category</b>	<b>Colour*</b>
Indian Public / eligible NRI's applying on a non-repatriation basis (ASBA)	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

*\*Excluding Electronic Application Form*

Designated Intermediaries (other than SCSBs) after accepting application form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Application Forms to respective SCSBs where the Applicants has a bank account and shall not submit it to any non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Applicants shall only use the specified Application Form for making an Application in terms of the Draft Prospectus.

The Application Form shall contain information about the Applicant and the price and the number of Equity Shares that the Applicants wish to apply for. Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Applicants are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

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An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following intermediaries (Collectively called – Designated Intermediaries”)

<b>Sr. No.</b>	<b>Designated Intermediaries</b>
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*Retails investors submitting application with any of the entities at (2) to (5) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the application form.*

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the application form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository’s records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Application Form to Application Collecting intermediaries, the Applicants are deemed to have authorized our Company to make the necessary changes in the Draft Prospectus, without prior or subsequent notice of such changes to the Applicants. Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking of funds that are available in the bank account specified in the Application Form used by ASBA Applicants. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms/ Application Forms to the respective SCSB, where the Applicant has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

### **Availability of Draft Prospectus and Application Forms**

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The Application Forms and copies of the Draft Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of NSE i.e. [www.nseindia.com](http://www.nseindia.com).

### **Who can apply?**

In addition to the category of Applicants as set forth under “*General Information Document for Investing in Public Issues-Category of Investors Eligible to participate in an Issue*”, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines, including:

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid Demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: —Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta. Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) Mutual Funds registered with SEBI;
- e) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- f) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- g) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non Institutional applicant’s category;
- j) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- k) Foreign Venture Capital Investors registered with the SEBI;
- l) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- m) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- n) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- o) Provident Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- p) Pension Funds with minimum corpus of Rs. 25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- r) Multilateral and bilateral development financial institution;
- s) Eligible QFIs;
- t) Insurance funds set up and managed by army, navy or air force of the Union of India;
- u) Insurance funds set up and managed by the Department of Posts, India;
- v) Any other person eligible to apply in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

### **Applications not to be made by:**

1. Minors (except through their Guardians)
2. Partnership firms or their nominations
3. Foreign Nationals (except NRIs)
4. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. 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 138 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. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

#### **MAXIMUM AND MINIMUM APPLICATION SIZE**

##### **1. For Retail Individual Applicants**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed Rs. 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed Rs. 2,00,000.

##### **2. For Other than Retail Individual Applicants (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds Rs. 2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Prospectus.**

**The above information is given for the benefit of the Applicants. The Company and the LMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

#### **BASIS OF ALLOTMENT**

Allotment will be made in consultation with the Stock Exchange. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

For applications where the proportionate allotment works out to less than [●] Equity shares the allotment will be made as follows:

1. Each successful applicant shall be allotted [●] Equity shares; and
2. The successful applicants out of the total applicants for that category shall be determined by the drawl of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.

If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] Equity shares,

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the applicant would be allotted Shares by rounding off to the nearest multiple of [●] Equity shares subject to a minimum allotment of [●] Equity shares.

If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the offer specified under the Capital Structure mentioned in this Draft Prospectus.

The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:

1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
2. The balance net offer of shares to the public shall be made available for allotment to
  - a. Individual applicants other than retails individual investors and
  - b. Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with Stock Exchange. The Executive Director / Managing Director of Stock Exchange in addition to Lead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

### **Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

### **Information for the Applicants:**

1. Our Company and the Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Draft Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Draft Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridged Prospectus and copies of the Draft Prospectus will be available with the Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the Draft Prospectus and/ or the Application Form can obtain the same from our Registered Office.
5. Applicants who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such application forms that do not contain such details are liable to be rejected.
8. Applicants applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs) , the relevant SCSB , shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Applicants, or in the case of application in joint names, the first Applicant (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Application Form without PAN is liable to be rejected. The demat accounts of Applicants for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
10. The Applicants may note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Application Form is liable to be rejected.

**Application by Indian Public including eligible NRIs applying on Non-Repatriation Basis**

Application must be made only in the names of individuals, Limited Companies or Statutory Corporations/institutions and not in the names of Minors, Foreign Nationals, Non Residents Indian (except for those applying on non-repatriation), trusts, (unless the Trust is registered under the Societies Registration Act, 1860 or any other applicable Trust laws and is authorized under its constitution to hold shares and debentures in a Company), Hindu Undivided Families, Partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public. Eligible NRIs applying on a non-repatriation basis should authorize their SCSB to block their NRE/FCNR accounts as well as NRO accounts.

**Applications by eligible NRIs on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

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Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

### **Application by FPIs (including FIIs)**

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity 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 Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. 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.

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.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

### **Application by SEBI registered Alternative Investment Fund (AIF), Venture Capital Funds and Foreign Venture Capital Investors**

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The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. As per the current regulations, the following restrictions are applicable for SEBI registered venture capital funds and foreign venture capital investors: Accordingly, the holding by any individual venture capital fund registered with SEBI in one Company should not exceed 25% of the corpus of the venture capital fund; a Foreign Venture Capital Investor can invest its entire funds committed for investments into India in one Company. Further, Venture Capital Funds and Foreign Venture Capital investor can invest only up to 33.33% of the funds available for investment by way of subscription to an Initial Public Offer. The SEBI (Alternative Investment funds) Regulations, 2012 prescribes investment restrictions for various categories of AIF's. The category I and II AIFs cannot invest more than 25% of the corpus in one investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A Venture capital fund registered as a category I AIF, as defined in the SEBI Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI Regulations shall continue to be regulated by the VCF Regulations.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the "IRDA Investment Regulations"), are broadly set forth below:

(a) Equity shares of a company: The lesser of 10% of the investee company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and

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(c) The industry sector in which the investee company operates: 10% of the insurer's total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this Draft Prospectus. Applicants are advised to make their independent investigations and ensure that the maximum number of Equity Shares applied for or maximum investment limits do not exceed the applicable limits under laws or regulations or as specified in this Draft Prospectus.

### **Applications by Banking Companies**

In case of Applications made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form, failing which our Company reserve the right to reject any Application

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without assigning any reason thereof. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

### **Applications by Systemically Important Non-Banking Financial Companies**

In case of Applications made by Systemically Important Non-Banking Financial Companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor, and (iii) such other approval as may be required by the Systemically Important Non-Banking Financial Companies, are required to be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any Bid without assigning any reason thereof. Systematically Important NBFCs participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Applications by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

### **Issue Procedure for Application Supported by Blocked Account (ASBA) Applicants**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Prospectus. ASBA Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned SEBI link.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is

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liable to rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.

5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.

<b>For Applications submitted by investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the application form, respective Designated Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.

6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment if finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB

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shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Offer shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public offer have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.
6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bankers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

<b>S. No.</b>	<b>Details*</b>
1.	Symbol
2.	Intermediary Code

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3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into in the on-line system:
  - Name of the Applicant;
  - IPO Name;
  - Application Form Number;
  - Investor Category;
  - PAN (of First Applicant, if more than one Applicant);
  - DP ID of the demat account of the Applicant;
  - Client Identification Number of the demat account of the Applicant;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by an Applicant through the Electronic Mode, the Applicant shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Application Form number which shall be system generated.
9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
11. In case of Non-Retail Applicants and Retail Individual Applicants, applications would not be rejected except on the technical grounds as mentioned in the Draft Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

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14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein [●] Equity Shares shall be reserved for Market Maker and [●] Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non-Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Manager and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

### **Signing of Underwriting Agreement and Filing of Draft Prospectus with ROC**

- 1) Our company has entered into an Underwriting Agreement dated [●]
- 2) A copy of Prospectus will be filled with the ROC in terms of Section 26 of Companies Act, 2013.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Draft Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.

### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the issue.

The Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

- 3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful applicants Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

### **Designated Date**

On the Designated date, the SCSBs shall transfers the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any

**General Instructions**

**Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Applicant shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application.
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account or UPI ID linked Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process the SCSBs where the Applicant has a bank account or a UPI ID linked Bank Account, the Registered Broker (at the Broker Centre's), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Instruct your respective Banks to release the funds blocked in the ASBA Account/UPI ID linked Bank Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder.
- Ensure that you have mentioned the correct bank account number in the Application Form and in case of Retail Individual Applicants applying through UPI Channel, ensure that you have mentioned the correct UPI ID;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Draft Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- Ensure that you have correctly signed the authorization/ undertaking box in the Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account/ UPI ID linked Bank Account, as the case may be, equivalent to the Application Amount mentioned in the Application Form;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not use third party bank account or third-party UPI ID linked Bank Account for making the Application;
- Do not apply on another Application Form after you have submitted an application to the Designated Intermediary;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;

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- Do not apply for an Application Amount exceeding Rs.2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a colour prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com). With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No.CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Application forms in Public Issue with effect front January 01, 2016. The List of RTA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [www.bseindia.com](http://www.bseindia.com) and NSE i.e. [www.nseindia.com](http://www.nseindia.com)

### **Applicant's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected.

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain front the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Application Form**

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

### **Communications**

## **ARABIAN PETROLEUM LIMITED**

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All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with

Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 4(four) working days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Applicants, the Company in consultation with the LM may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

### **Undertakings by Our Company**

We undertake as follows:

## **ARABIAN PETROLEUM LIMITED**

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- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Draft Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the ROC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;
- 7) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by us;
- 8) That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the specified period of closure of the Issue giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 9) That Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from the Stock Exchange where listing is sought has been received;
- 10) Adequate arrangements shall be made to collect all Application Forms from the Applicants;
- 11) That the certificates of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and
- 12) That none of the promoter or directors of the company is willful defaulter under Section 5(c) of SEBI (ICDR) Regulations, 2018.

### **Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in the balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

### **Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite Agreement dated February 17, 2022 between NSDL, our Company and Registrar to the Issue; and
- Tripartite Agreement dated May 31, 2019 between CDSL, our Company and Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE08NJ01024.

**RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and Foreign Exchange Management Act, 1999 ("FEMA"). While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the Reserve Bank of India ("RBI") and Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("DIPP").

The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated Foreign Direct Investment Policy notified by the DPIIT File No. 5(2)/2020-FDI Policy dated October 15, 2020, with effect from October 15, 2020 (the "FDI Policy"), which consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT or the DPIIT that were in force and effect prior to October 15, 2020. The Government of India proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

In terms of the FEMA NDI Rules, a person resident outside India may make investments into India, subject to certain terms and conditions, and provided that an entity of a country, which shares land border with India or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall invest only with government approval

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI / RBI.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("Restricted Investors"), will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank of fund in India. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar to the Offer in writing about such approval along with a copy thereof within the Offer Period. As per the existing policy of the Government of India, OCBs cannot participate in this Issue and in accordance with the extant FDI guidelines on sectoral caps, pricing guidelines etc. as amended by Reserve bank of India, from time to time. Investors are advised to confirm their eligibility under the relevant laws before investing and/ or subsequent purchase or sale transaction in the Equity Shares of our Company. Investors will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

**Investment conditions/restrictions for overseas entities**

Under the current FDI Policy 2020, the maximum amount of Investment (sectoral cap) by foreign investor in an issuing entity is composite unless it is explicitly provided otherwise including all types of foreign investments, direct and indirect, regardless of whether it has been made for FDI, FPI, NRI/OCI, LLPs, FVCI, Investment Vehicles and DRs under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. Any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned as foreign investment under the composite cap.

Portfolio Investment upto aggregate foreign investment level of 49% or sectoral/statutory cap, whichever is lower, will not be subject to either Government approval or compliance of sectoral conditions, if such investment does not result in transfer of ownership and/or control of Indian entities from resident Indian citizens to non-resident entities. Other foreign investments will be subject to conditions of Government approval and compliance of sectoral conditions as per FDI Policy. The total foreign investment, direct and indirect, in the issuing entity will not exceed the sectoral/statutory cap.

#### **Investment by FPIs under Portfolio Investment Scheme (PIS)**

With regards to purchase/sale of capital instruments of an Indian company by an FPI under PIS the total holding by each FPI or an investor group as referred in SEBI (FPI) Regulations, 2014 shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or less than 10% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all FPIs put together shall not exceed 24% of paid-up equity capital on fully diluted basis or paid-up value of each series of debentures or preference shares or share warrants. The said limit of 10% and 24% will be called the individual and aggregate limit, respectively. However, this limit of 24 % may be increased up to sectoral cap/statutory ceiling, as applicable, by the Indian company concerned by passing a resolution by its Board of Directors followed by passing of a special resolution to that effect by its general body.

#### **Investment by NRI or OCI on repatriation basis:**

The purchase/sale of equity shares, debentures, preference shares and share warrants issued by an Indian company (hereinafter referred to as "Capital Instruments") of a listed Indian company on a recognised stock exchange in India by Non-Resident Indian (NRI) or Overseas Citizen of India (OCI) on repatriation basis is allowed subject to certain conditions under Foreign Exchange Management (Non-debt Instruments) Rules, 2019. The total holding by any individual NRI or OCI shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants; provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

#### **Investment by NRI or OCI on non-repatriation basis**

As per current FDI Policy 2020, Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Purchase/sale of Capital Instruments or convertible notes or units or contribution to the capital of an LLP by a NRI or OCI on non- repatriation basis – will be deemed to be domestic investment at par with the investment made by residents. This is further subject to remittance channel restrictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("US Securities Act") or any other state securities laws in the United States of America and may not be sold or offered within the United States of America, or to, or for the account or benefit of "US Persons" as defined in Regulation S of the U.S. Securities Act, except pursuant to exemption from, or in a transaction not subject to, the registration requirements of US Securities Act and applicable state securities laws.

Accordingly, the equity shares are being offered and sold only outside the United States of America in an offshore transaction in reliance upon Regulation S under the US Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

Further, no offer to the public (as defined under Directive 2000/71/EC, together with any amendments) and implementing measures thereto, (the "Prospectus Directive") has been or will be made in respect of the Issue in any member State of the European Economic Area which has implemented the Prospectus Directive except for

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any such offer made under exemptions available under the Prospectus Directive, provided that no such offer shall result in a requirement to publish or supplement a prospectus pursuant to the Prospectus Directive, in respect of the Issue.

Any forwarding, distribution or reproduction of this document in whole or in part may be unauthorised. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions. Any investment decision should be made on the basis of the final terms and conditions and the information contained in this Prospectus.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them and do not exceed the applicable limits under the laws and regulations.

**SECTION IX - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule I of the Companies Act, and the SEBI (ICDR) Regulations, 2018, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

**The following regulations comprised in these Articles of Associations were adopted pursuant to member's resolution passed at the Extra Ordinary General Meeting held on November 15, 2021 in substitution for and to the entire exclusion of, the regulations contained in the existing Articles of Associations of the Company.**

**INTERPRETATION**

1. In these Articles unless there be something in the subject matter or context inconsistent therewith:
  - i. **"The Act"** means the Companies Act, 2013 and includes any statutory modification or re-enactment thereof for the time being in force.
  - ii. **"Articles"** means Articles of Association of the Company as originally framed or altered from time to time
  - iii. **"Beneficial Owner"** shall have the meaning assigned thereto by Section 2(1)(a) of the Depositories Act, 1996.
  - iv. **"Board" or "Board of Director"** means the Collective body of the Board of Directors of the Company.
  - v. **"Chairman"** means the Chairman of the Board of the Directors of the Company.
  - vi. **"The Company"** means Arabian Petroleum Limited.
  - vii. **"Depositories Act, 1996"** shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.
  - viii. **"Depository"** shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.
  - ix. **"Directors"** mean the Directors for the time being of the Company.
  - x. **"Dividend"** includes any interim dividend.
  - xi. **"Document"** means a document as defined in Section 2 (36) of the Companies Act, 2013.
  - xii. **"Equity Share Capital"**, with reference to any Company limited by shares, means all share capital which is not preference share capital;
  - xiii. **"KMP"** means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.
  - xiv. **"Managing Director"** means a Director who by virtue or an agreement with the Company or of a resolution passed by the Company in general meeting or by its Board of Directors or by virtue of its Memorandum or Articles of Association is entrusted with substantial powers of management and includes a director occupying the position of managing director, by whatever name called.
  - xv. **"Month"** means Calendar month.
  - xvi. **"Office"** means the registered office for the time being of the Company.
  - xvii. **"Paid-up share capital"** or "share capital paid-up" means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid-up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called;
  - xviii. **"Postal Ballot"** means voting by post or through any electronic mode.
  - xix. **"Proxy"** includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.
  - xx. **"Public Holiday"** means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central Government to be such a holiday shall be deemed to be such a holiday in relation to any meeting unless the declaration was notified before the issue of the notice convening such meeting.
  - xxi. **"Registrar"** means the Registrar of Companies of the state in which the Registered Office of the Company is for the time being situated and includes an Additional Registrar a Joint Registrar, a Deputy Registrar or an Assistant Registrar having the duty of registering companies and discharging various functions under this

Act.

- xxii. “**Rules**” means the applicable rules as prescribed under the relevant sections of the Act for time being in force.
- xxiii. “**SEBI**” means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.
- xxiv. “**Securities**” means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)
- xxv. “**Share**” means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.
- xxvi. “**Seal**” means the common seal of the Company.
- xxvii. “**Preference Share Capital**”, with reference to any Company limited by shares, means that part of the issued share capital of the Company which carries or would carry a preferential right with respect to—
- (a) payment of dividend, either as a fixed amount or an amount calculated at a fixed rate, which may either be free of or subject to income-tax; and
- (b) repayment, in the case of a winding up or repayment of capital, of the amount of the share capital paid-up or deemed to have been paid-up, whether or not, there is a preferential right to the payment of any fixed premium or premium on any fixed scale, specified in the memorandum or articles of the Company;

Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa.

Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.

### **Share Capital**

2. The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.
3. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.

### **Issue of Sweat Equity Shares**

4. Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.

### **Issue of Debentures**

5. The Company shall have powers to issue any debentures, debenture-stock or other securities at Par, discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending the General Meetings (but not voting on any business to be conducted), appointment of Directors on Board and otherwise Debentures with the right to conversion

## **ARABIAN PETROLEUM LIMITED**

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into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.

### **Issue of Share Certificates**

6.
  - i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within fifteen days (15) of the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—
    - a. one certificate for all his shares without payment of any charges; or
    - b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first.
  - ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, subdivision, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;
  - iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
  - iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
7. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.
8. Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
9. The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.

### **Power to pay Commission In connection with the Securities issued**

10.
  - i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
  - ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
  - iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

### **Variations of Shareholder's rights**

- 11.

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- i. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
  - ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
12. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

### **Issue of Preference Shares**

13. Subject to the provisions of section 55 and 62, any preference shares may with the sanction of Special resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

### **Further Issue of shares**

14. (1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:
  - (a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.
  - (b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.
  - (c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.
- (2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.
- (3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved, before the issue of such debentures or the raising of loan, by a special resolution passed by the company in general meeting.

### **Lien**

15.
  - i. The Company shall have a first and paramount lien—
    - a. on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
    - b. on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company;
    - c. Every fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares

## **ARABIAN PETROLEUM LIMITED**

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Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

- ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
16. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

- a. unless a sum in respect of which the lien exists is presently payable; or
  - b. until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- 17.
- i. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
  - ii. The purchaser shall be registered as the holder of the shares comprised in any such transfer.
  - iii. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
- 18.
- i. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - ii. The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

### **Joint Holdings**

19. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-
- a) The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.
  - b) The joint-holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share.
  - c) On the death of any such joint-holders, the survivor or survivors shall be the only person or persons recognized by the Company as having any title to the share but the Directors may require such evidence of death as they may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held by him jointly with any other person.
  - d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.
  - e) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate, if any, relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed served on all the joint-holders.
  - f)
    - (i) Any one of the two or more joint-holders may vote at General Meeting either personally or by attorney or by proxy in respect of such shares as if they were solely entitled hereto and if more than one such joint-holders be present at any meeting personally or by proxy or by attorney then one of such joint holders so present whose name stand first in the Register in respect of such shares shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to vote in preference to a joint-holder present by attorney or by proxy although the name of such joint-holder present by attorney or by proxy stands first in Register in respect of such shares.

- (ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.
- g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.

**Calls on shares**

- 20.
- i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:  
  
Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.
  - ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.
  - iii. A call may be revoked or postponed at the discretion of the Board.
21. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
22. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
- 23.
- i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
  - ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.
- 24.
- i. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
  - ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture
  - iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
25. The Board—
- i. may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
  - ii. upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.
26. Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.  
  
Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.
27. The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.

28. The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.

**Transfer of shares**

- 29.
- i. The shares or other interest of any member in the Company shall be a movable property, transferable in the manner provided by the Articles.
  - ii. Each share in the Company shall be distinguished by its appropriate number.
  - iii. A Certificate under the Common Seal of the Company, specifying any shares held by any member shall be prima facie evidence of the title of the member of such shares.
- 30.
- i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.
  - ii. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
31. The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-
- i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
  - ii. any transfer of shares on which the Company has a lien.
  - iii. Provided however that the Company will not decline to register or acknowledge any transfer of shares on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.
32. The Board shall decline to recognise any instrument of transfer unless—
- i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
  - ii. the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and the instrument of transfer is in respect of only one class of shares.  
Provided that, transfer of shares in whatever lot shall not be refused.
  - iii. The Company agrees that when proper documents are lodged for transfer and there are no material defects in the documents except minor difference in signature of the transferor(s),
  - iv. Then the Company will promptly send to the first transferor an intimation of the aforesaid defect in the documents, and inform the transferor that objection, if any, of the transferor supported by valid proof, is not lodged with the Company within fifteen days of receipt of the Company's letter, then the securities will be transferred;
  - v. If the objection from the transferor with supporting documents is not received within the stipulated period, the Company shall transfer the securities provided the Company does not suspect fraud or forgery in the matter.
33. The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay
34. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year

35. The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.

**Register of Transfers**

36. The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.

**Dematerialisation of Securities**

37. i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles.

- a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.

- b. Option for Investors:

Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.

If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security

- c. Securities in Depository to be in fungible form:-

- All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.
- Nothing contained in Sections 88, 89, 112 & 186 of the Companies Act, 2013 shall apply to a Depository in respect of the Securities of the Company held by it on behalf of the beneficial owners.

- d. Rights of Depositories & Beneficial Owners:-

Notwithstanding anything to the contrary contained in the Act a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Security of the Company on behalf of the beneficial owner.

- e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

- f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.

- ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.

- iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

- iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.

- v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.
- vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.
- vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for the residents in that state or Country.

**Transmission of shares**

- 38.
- i. On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.
  - ii. Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 39.
- i. Any person becoming entitled to a share, in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
    - a. to be registered himself as holder of the share; or
    - b. to make such transfer of the share as the deceased or insolvent member could have made.
  - ii. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 40.
- i. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
  - ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
  - iii. All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
41. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:
- Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.
42. The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

No fee shall be charged for requisition of transfer, transmission, probate, succession certificate and letter of administration, Certificate of Death or marriage, power of attorney or similar other documents.

**Forfeiture of shares**

43. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
44. The notice aforesaid shall—
- i. name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - ii. state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
45. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
- 46.
- i. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
  - ii. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
- 47.
- i. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.
  - ii. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.
- 48.
- i. A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
  - ii. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute transfer of the shares in favour of the person to whom the share is sold or disposed off;
  - iii. The transferee shall thereupon be registered as the holder of the share; and
  - iv. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
49. The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share.
50. Upon any sale after forfeiture or for enforcing a lien in exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the shares sold and cause the purchaser's name to be entered in the register of members in respect of the shares sold and after his name has been entered in the register of members in respect of such shares the validity of the sale shall not be impeached by any person.
51. Upon any sale, re-allotment or other disposal under the provisions of the preceding articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.

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52. The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.
53. The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54. The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.

### **Initial payment not to preclude forfeiture**

55. Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.

### **Alteration of capital**

56. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
57. Subject to the provisions of section 61, the Company may, by ordinary resolution,—
- i. consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - ii. convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
  - iii. sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
  - iv. Cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

### **Conversion of Shares into Stock**

58. Where shares are converted into stock,—
- i. the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:
- Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
- ii. the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
  - iii. Such of the articles of the Company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.

**Reduction of Capital**

59. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- i. its share capital;
  - ii. any capital redemption reserve account; or
  - iii. Any share premium account.

**Share Warrants**

60. The Company may issue share warrants subject to, and in accordance with, the provisions of the Act, and accordingly the Board may in its discretion, with respect to any share which is fully paid-up, on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) of the share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue of a share warrant.

The bearer of a share warrant may at any time, deposit the warrant in the office of the Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.

Not more than one person shall be recognized as depositor of the share warrant.

The Company shall, on two days written notice, return the deposited share warrants to the depositor.

Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.

The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.

The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.

**Capitalisation of profits**

- 61.
- i. The Company in general meeting may, upon the recommendation of the Board, resolve—
    - a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
    - b. that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
  - ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
    - a. paying up any amounts for the time being unpaid on any shares held by such members respectively;
    - b. paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up bonus shares, to and amongst such members in the proportions aforesaid;
    - c. partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);

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- d. A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares;
  - e. The Board shall give effect to the resolution passed by the Company in pursuance of this - regulation.
- iii. Allotment or Distribution of Bonus Shares shall not be made to those Members who furnish to the Company in written intimation waiving their entitlement to receive such allotment or distribution of shares credited as fully paid up pursuant to this Article 61 as the case may be, and accordingly the corresponding amount shall not be capitalized.
- 62.
- i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—
    - a. make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
    - b. generally to do all acts and things required to give effect thereto.
  - ii. The Board shall have power—
    - a. to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
    - b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
  - iii. Any agreement made under such authority shall be effective and binding on such members.

### **Buy-back of shares**

63. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

### **General Meeting**

64. All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.
- 65.
- i. The Board may, whenever it thinks fit, call an extraordinary general meeting.
  - ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent of the members entitled to vote at such meeting.
  - iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

### **Proceedings at general meetings**

- 66.
- i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
  - ii.
    - i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.
    - ii. In any other case, the quorum shall be decided as under:

- a) fifteen members personally present if the number of members as on the date of meeting is more than one thousand but up to five thousand;
  - b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;
67. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.
68. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
69. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.
70. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
71. A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.

#### **Demand for poll**

- 72.
- i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.
  - ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

#### **Time of taking poll**

- 73.
- i. A poll demanded on a question of adjournment shall be taken forthwith.
  - ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.

#### **Adjournment of meeting**

- 74.
- i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
  - ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
  - iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
  - iv. Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

#### **Voting rights**

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75. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
- i. on a show of hands, every member present in person shall have one vote; and
  - ii. on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.
76. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
- 77.
- i. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
  - ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
78. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
79. Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.
80. Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.
81. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.
- 82.
- i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
  - ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.
83. No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

### **Casting Vote**

84. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.

### **Representation of Body Corporate**

85. A body corporate (whether a Company within the meaning of the Act or not) if it is a member or creditor (including a holder of debentures) of the Company may in accordance with the provisions of Section 113 of the Companies Act, 2013 authorise such person by a resolution of its Board of Directors as it thinks fit, to act as its representative at any meeting of the Company or of any class of members of the Company or at any meeting of creditors of the Company.

### **Circulation of member's resolution**

86. The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.

**Resolution requiring special notice**

87. The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.

**Resolutions passed at adjourned meeting**

88. The provisions of Section 116 of Companies Act, 2013 shall apply to resolutions passed at an adjourned meeting of the Company, or of the holders of any class of shares in the Company and of the Board of Directors of the Company and the resolutions shall be deemed for all purposes as having been passed on the date on which in fact they were passed and shall not be deemed to have been passed on any earlier date.

**Registration of resolutions and agreements**

89. The Company shall comply with the provisions of Section 117 and 179 of the Companies Act, 2013 relating to registration of certain resolutions and agreements.

**Minutes of proceedings of general meeting and of Board and other meetings**

- 90.
- i. The Company shall cause minutes of all proceedings of general meetings, and of all proceedings of every meeting of its Board of Directors or of every Committee of the Board to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
  - ii. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed :
    - A. in the case of minutes of proceedings of the Board or of a Committee thereof by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
    - B. in the case of minutes of proceedings of the general meeting by Chairman of the said meeting within the aforesaid period, of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
    - C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
    - D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
    - E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
    - F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:
      - a. the names of the Directors present at the meetings, and
      - b. in the case of each resolution passed at the meeting, the names of the Directors, if any dissenting from or not concurring in the resolution.
  - iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:
    - a. is or could reasonably be regarded, as defamatory of any person
    - b. is irrelevant or immaterial to the proceedings; or
    - c. in detrimental to the interests of the Company.
  - iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.

**Minutes to be considered to be evidence**

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91. The minutes of meetings kept in accordance with the provisions of Section 118 of the Companies Act, 2013 shall be evidence of the proceedings recorded therein.

### **Publication of reports of proceeding of general meetings**

92. No document purporting to be a report of the proceedings of any general meeting of the Company shall be circulated or advertised at the expenses of the Company unless it includes the matters required by Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.

### **Proxy**

93. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
94. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.
95. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

### **Board of Directors**

96. The number of the Directors and the names of the first Directors shall be determined in writing by the subscribers of the memorandum or a majority of them.  
The present Directors are:-  
1. Darshana Hemant Mehta  
2. Hemant Dalsukhrai Mehta  
3. Manan Hemant Mehta  
4. Dharman Manoj Mehta
97. The Directors need not hold any "Qualification Share(s)".
98. Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:

He may be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.

Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.

- 99.
- i. The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.
  - ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them—
    - a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or
    - b. in connection with the business of the company.
100. The Board may pay all expenses incurred in getting up and registering the company.
101. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
102. All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.
103. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
- 104.
- i. Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.
  - ii. Such person shall hold office only up to the date of the next annual general meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.

**Retirement and Rotation of Directors**

105. Not less than two-thirds of the total number of Directors of the Company, excluding the Independent directors if any appointed by the Board, shall be persons whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly provided in the Act and these Articles be appointed by the Company in General Meeting.
106. The remaining Directors shall be appointed in accordance with the provisions of the Act.
107. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or a multiple of three, the number nearest to one-third shall retire from office.
108. Subject to the provisions of the Act and these Articles the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in the office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provision of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his reappointment is decided or successor is appointed.
109. Subject to the provisions of the Act and these Articles, the retiring Director shall be eligible for reappointment.
110. Subject to the provision of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in the manner aforesaid may fill up the vacated office by electing the retiring Director or some other person thereto.

**Nominee Director**

111. Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to any of the Finance Corporation or Credit Corporation or to any other Finance Company or Body out of any loans granted by them to the Company or Body (hereinafter in this Article referred to as “the Corporation”) continue to hold debentures or shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors whole time or non-whole time (which Director or Directors is/are hereinafter referred to as “Nominee Director/s”) on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their places.
112. The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.
113. The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.
114. The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.
- Provided that if any such Nominee Directors is an Officer of the Corporation / IDBI, the sitting fees in relation to such Nominee Directors shall also accrue to the Corporation/ IDBI as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.
115. Provided also that in the event of the Nominee Directors being appointed as Whole time Directors such Nominee Directors shall exercise such powers and duties as may be approved by the Lenders. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

**Removal of Directors**

116. The Company may (subject to the provisions of Act and other applicable provisions and these Articles) remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.
117. Special notice as provided in the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed.
118. On receipt of the notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting.

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119. Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,
- (a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and
  - (b) send a copy of the representations to every member of the Company to whom the notice of the meeting is sent ( whether before or after the receipt of representation by the Company) and if a copy of the representation is not sent as aforesaid due to insufficient time or for the company's default, the director may without prejudice to his right to be heard orally require that the representation shall be read out at the meeting:

Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

120. A vacancy created by the removal of a director under this article, if he had been appointed by the company in general meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as prescribed in the Act.
121. A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.
122. If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:

Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.

123. Nothing in this section shall be taken-
- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or
  - b) as derogating from any power to remove a director under other provisions of this Act.

### **Remuneration and sitting fees to Directors including Managing and whole time Directors**

124. Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.

In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them.

- a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or
  - b. In connection with the business of the Company.
125. Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- ( Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

**Powers and duties of Directors:**

**Certain powers to be exercised by the Board only at meeting**

126.

- i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.
  - a. The power to make calls on shareholders in respect of money unpaid on their shares;
  - b. The Power to authorize buy-back of securities under Section 68 of the Act.
  - c. Power to issue securities, including debenture, whether in or outside India
  - d. The power to borrow moneys
  - e. The power to invest the funds of the Company,
  - f. Power to Grant loans or give guarantee or provide security in respect of loans
  - g. Power to approve financial statements and the Board's Report
  - h. Power to diversify the business of the Company
  - i. Power to approve amalgamation, merger or reconstruction
  - j. Power to take over a Company or acquire a controlling or substantial stake in another Company
  - k. Powers to make political contributions;
  - l. Powers to appoint or remove key managerial personnel (KMP);
  - m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;
  - n. Powers to appoint internal auditors and secretarial auditor;
  - o. Powers to take note of the disclosure of director's interest and shareholding;
  - p. Powers to buy, sell investments held by the Company (other than trade investments), constituting five percent or more of the paid up share capital and free reserves of the investee Company;
  - q. Powers to invite or accept or renew public deposits and related matters;
  - r. Powers to review or change the terms and conditions of public deposit;
  - s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.

Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.

- ii. Every resolution delegating the power referred to in sub-clause (d) of clause (i) shall specify the total amount outstanding at any one time up to which moneys may be borrowed by the delegate.
- iii. Every resolution delegating the power referred to in sub-clause (e) of clause (i) shall specify the total amount up to which the funds of the Company may be invested and the nature of the investments which may be made by the delegate.
- iv. Every resolution delegating the power referred to in sub-clause (f) of clause (i) shall specify the total amount up to which loans may be made by the delegates, the purposes for which the loans may be made and the maximum amount up to which loans may be made for each such purpose in individual cases.
- v. Nothing in this Article shall be deemed to affect the right of the Company in general meeting to impose restrictions and conditions on the exercise by the Board of any of the powers referred to in this Article.

**Restriction on powers of Board**

127.

- i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting :

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- a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking;
  - b) remit, or give time for the repayment of any debt, due by a Director;
  - c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;
  - d) borrow moneys, where the money to be borrowed, together with the moneys already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose; or
  - e) contribute to *bona fide* charitable and other funds, aggregate of which in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.
- ii. Nothing contained in sub-clause (a) above shall affect:
- a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or
  - b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.
- iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.
- iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.
128. Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.

### **General powers of the Company vested in Directors**

129. Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

### **Specific powers given to Directors**

130. Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:
- i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;

- ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be advised to be reasonable satisfactory;
- iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;
- iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;
- v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;
- vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;
- vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;
- viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;
- ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;
- x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;
- xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of the Act;
- xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;

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- xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;
- xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.
- xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.
- xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;
- xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;
- xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.
- xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.
- xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of

any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.

- xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;

### **MANAGING DIRECTORS**

#### **Power to appoint Managing or Whole-time Directors**

131.

- a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.
- b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.
- c) Subject to the provisions of Sections 197 & 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.

#### **Proceedings of the Board**

132.

- a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.
- b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

133. The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.

134.

- a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
- b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

135. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.

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136. The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.
- 137.
- a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
  - b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.

### **Delegation of Powers of Board to Committee**

- 138.
- a) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
  - b) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
- 139.
- a) A committee may elect a Chairperson of its meetings.
  - b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
- 140.
- a) A committee may meet and adjourn as it thinks fit.
  - b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
141. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
142. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held

### **Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer**

143. Subject to the provisions of the Act,—
- a) A chief executive officer, manager, Company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, Company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
  - b) A director may be appointed as chief executive officer, manager, Company secretary or chief financial officer.
144. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officers, manager, Company Secretary or chief Financial Officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief Financial Officer.

### **The Seal**

- 145.
- a) The Board shall provide for the safe custody of the seal.
  - b) The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in their presence.

**Dividends and Reserve**

146. The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

147. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

- 148.
- a) The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
  - b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

- 149.
- a) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
  - b) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
  - c) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

150. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

- 151.
- a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
  - b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

152. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

153. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

154. No dividend shall bear interest against the Company.

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Provided however that no amount outstanding as unclaimed dividends shall be forfeited unless the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases;

155. Where a dividend has been declared by a company but has not been paid or claimed within thirty days from the date of the declaration, the company shall, within seven days from the date of expiry of the thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the company in that behalf in any scheduled bank to be called the Unpaid Dividend Account as per provisions of section 124 and any other pertinent provisions in rules made thereof.

The company shall transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act.

156. The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.
157. Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.

### **Accounts**

- 158.
- a) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being directors.
  - b) No member (not being a director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Board or by the Company in general meeting.

### **Inspection of Statutory Documents of the Company:**

159. Minutes Books of General Meetings
- a) The books containing the minutes of the proceedings of any general meeting of the Company shall;
    - i. be kept at the registered office of the Company, and
    - ii. be open, during the business hours to the inspection of any member without charge subject such reasonable restrictions as the Company may, in general meeting impose so however that not less than two hours in each day are allowed for inspection.

Provided however that any person willing to inspect the minutes books of General Meetings shall intimate to the Company his willingness atleast 15 days in advance.

- b) Any member shall be entitled to be furnished, within seven days after he has made a request in that behalf of the Company, with a copy of any minutes referred to in Clause (a) above, on payment of Rs. 10/- (Ten Rupees only) for each page or part thereof.
160. Register of charges:
- a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.
  - b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—
    - a. by any member or creditor without any payment of fees; or
    - b. by any other person on payment of such fees as may be prescribed,

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Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.

### **Audit**

161.

- a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.
- b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.
- c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.
- d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.

### **Winding up**

162. Subject to the provisions of Chapter XX of the Act and rules made there under—

- i. If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- ii. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- iii. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or others securities whereon there is any liability.

### **Indemnity**

163. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal Subject to the provisions of Chapter XX of the Act and rules made there under—

### **Secrecy**

164.

- (a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.
- (b) No member shall be entitled to visit or inspect any works of the Company, without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading or business or any matter which is or may be in the nature of a trade secret, mystery of trade, secret or patented process or any other matter, which may relate to the conduct of the business of the Company and which in the opinion of the directors, it would be inexpedient in the interests of the Company to disclose.

**SECTION X – OTHER INFORMATION**

**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Draft Prospectus) which are or may be deemed material have been entered or to be entered into by the Company which are or may be deemed material will be attached to the copy of the Prospectus, delivered to the Registrar of Companies, for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Draft Prospectus until the Issue Closing Date.

**Material Contracts**

1. Agreement dated June 10, 2022 executed between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Agreement dated June 03, 2022 executed between our Company and the Registrar to the Issue (Purva Sharegistry (India) Private Limited)
3. Banker to the Issue Agreement dated [●] among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
4. Market Making Agreement dated [●] between our Company, Lead Manager and Market Maker.
5. Underwriting Agreement dated [●] between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated May 31, 2019 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated February 17, 2022 among NDSL, the Company and the Registrar to the Issue.

**Material Documents**

8. Certified copies of the Memorandum and Articles of Association of the Company as amended.
9. Certificate of Incorporation dated March 20, 2009 issued by the Registrar of Companies, Maharashtra, Mumbai.
10. Fresh Certificate of Incorporation Consequent upon Conversion from Private Company to Public Company dated December 16, 2011 issued by Registrar of Companies, Mumbai.
11. Copy of the Board Resolution dated April 06, 2022 authorizing the Issue and other related matters.
12. Copy of Shareholder's Resolution dated April 09, 2022 authorizing the Issue and other related matters.
13. Copy of Audited Financial Statements of our Company for the stub period December 31, 2021 and period ended March 31, 2021, 2020 & 2019
14. Peer Review Auditors Report dated June 15, 2022 on Restated Financial Statements of our Company for the stub period December 31, 2021 and period ended March 31, 2021, 2020 & 2019.
15. Copy of the Statement of Tax Benefits dated June 15, 2022 from the Statutory Auditor.
16. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Statutory Auditor of the Company, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company as referred to, in their respective capacities.
17. Board Resolution dated June 30, 2022 for approval of Draft Prospectus, dated [●] for approval of Prospectus
18. Due Diligence Certificate from Lead Manager dated June 30, 2022.
19. Approval from NSE vide letter dated [●] to use the name of NSE in the Prospectus for listing of Equity Shares on the NSE Emerge.

Any of the contracts or documents mentioned in this Draft Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Hemant Dalsukhrai Mehta Chairman and Managing Director DIN: 02507616	Sd/-

Date: June 30, 2022

Place: Thane

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Manan Hemant Mehta Whole-time Director DIN: 05124747	Sd/-

Date: June 30, 2022

Place: Thane

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Dharman Manoj Mehta Whole-time Director and CFO DIN: 07821311	Sd/-

Date: June 30, 2022

Place: Thane

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mrs. Darshana Hemant Mehta Non-Executive Director DIN: 02507587	Sd/-

Date: June 30, 2022

Place: Thane

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Milan Mohanlal Paleja Additional Independent Director DIN: 08127535	Sd/-

Date: June 30, 2022

Place: Singapore

**DECLARATION**

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

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Mr. Dinesh Babulal Panchal Additional Independent Director DIN: 05328794	Sd/-

Date: June 30, 2022

Place: Mumbai

**DECLARATION**

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

**SIGNED BY THE COMPANY SECRETARY OF OUR COMPANY:**

<b>Name and Designation</b>	<b>Signature</b>
Ms. Yesha Chetan Gandani Company Secretary & Compliance Officer (M. No. ACS 63375)	Sd/-

Date: June 30, 2022

Place: Thane