



## AURANGABAD DISTILLERY LIMITED

Corporate Identity Number: - U55000MH2000PLC128084

Our Company was originally incorporated as Aurangabad Distillery Private Limited on August 03, 2000 under the provisions of Companies Act, 1956 with Registrar of Companies, Mumbai, Maharashtra, vide CIN: U55000MH2000PTC128084. Further, pursuant to Special resolution passed by the Shareholders, at the Extra Ordinary General Meeting held on May 19, 2016 Company was converted into Public Limited Company and consequently name of Company was changed from "Aurangabad Distillery Private Limited" to "Aurangabad Distillery Limited" and a fresh certificate of incorporation vide CIN No. U55000MH2000PLC128084 was issued by the Registrar of Companies, Mumbai, Maharashtra on June 7, 2016. For details of the changes in our Name and Registered Office, please see section titled "*History and Certain Corporate Matters*" on page 128 of this Prospectus.

**Registered Office:** UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India

**Corporate Office:** Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India

**Tel. No.** +91-02118-252504, +91-02118-252507, **E-mail:** [info@aurangabaddistillery.com](mailto:info@aurangabaddistillery.com), **Website:** [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

**Contact Person:** Mrs. Sheetal Jagetiya (Company Secretary & Compliance officer)

**PROMOTERS OF OUR COMPANY:** MR. AMARDEEPSINGH TRILOKSINGH SETHI, MR. DHARAMPAL KIMATRAM KALANI, MR. KANYALAL KIMATRAM KALANI AND MRS. JAGJITKAUR AMARDEEPSINGH SETHI

### THE ISSUE

**PUBLIC ISSUE OF 22,00,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH OF AURANGABAD DISTILLERY LIMITED ("OUR COMPANY" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 35.00 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ 25.00 PER EQUITY SHARE) ("ISSUE PRICE") AGGREGATING TO ₹ 770.00 LAKHS ("THE ISSUE"), OF WHICH 1,12,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH FOR A CASH PRICE OF ₹ 35.00 PER EQUITY SHARE, AGGREGATING TO ₹ 39.20 LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 20,88,000 EQUITY SHARES OF FACE VALUE OF ₹ 10.00 EACH AT AN ISSUE PRICE OF ₹ 35.00 PER EQUITY SHARE AGGREGATING TO ₹ 730.80 LAKHS (IS HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.83% AND 25.46%, 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 247 OF THIS PROSPECTUS.**

**THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10.00 EACH AND THE ISSUE PRICE IS ₹ 35.00. THE ISSUE PRICE IS 3.50 TIMES OF THE FACE VALUE.**

**THIS ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER XB OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED FROM TIME TO TIME (THE "SEBI ICDR REGULATIONS"). FOR FURTHER DETAILS, PLEASE REFER TO SECTION TITLED "ISSUE RELATED INFORMATION" BEGINNING ON PAGE 247 OF THIS PROSPECTUS.**

In terms of the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015, all potential investors shall participate in the Issue only through an Application Supported by Blocked Amount ("ASBA") process providing details about the bank account which will be blocked by the Self Certified Syndicate Banks ("SCSBs") for the same. For details in this regard, specific attention is invited to "Issue Procedure" on page 254 of this Prospectus. A copy will be delivered for registration to the Registrar of Companies as required under Section 26 of the Companies Act, 2013.

### ELIGIBLE INVESTORS

For details in relation to Eligible Investors, please refer to section titled "*Issue Procedure*" beginning on page 254 of this Prospectus.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of the Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares of the Company is ₹10.00 per equity share and the Issue Price is 3.5 times of the face value. The Issue Price (has been determined and justified by our Company in consultation with the Lead Manager as stated under the paragraph "*Basis for Issue Price*" on page 80 of this Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

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

### ISSUER'S ABSOLUTE RESPONSIBILITY



The Issuer having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this 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 Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares offered through this Prospectus are proposed to be listed on the SME Platform of National Stock Exchange of India Limited ("NSE") ("NSE EMERGE"). In terms of the Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended, we are not required to obtain an in-principle listing approval for the shares being offered in this issue. However, our Company has received an approval letter dated August 12, 2016 from NSE for using its name in this offer document for listing of our shares on the SME Platform of NSE. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited.

### LEAD MANAGER TO THE ISSUE

### REGISTRAR TO THE ISSUE

 <b>Hem Securities Ltd</b>	
<b>HEM SECURITIES LIMITED</b> 14/15 Khatau Building, 1st Floor, 40 Bank Street, Fort, Mumbai – 400001, Maharashtra <b>Tel. No.:</b> +91- 22-49060000 <b>Fax No.:</b> +91- 22-22625991 <b>Website:</b> <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> <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>Contact Person:</b> Mr. Anil Bhargava <b>SEBI Regn. No.</b> INM000010981	<b>BIGSHARE SERVICES PRIVATE LIMITED</b> E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East), Mumbai – 400 072, Maharashtra, India <b>Tel. No.:</b> +91-22 – 40430200 <b>Fax No.:</b> +91-22 – 28475201 <b>Website:</b> <a href="http://www.bigshareonline.com">www.bigshareonline.com</a> <b>Email:</b> <a href="mailto:ipo@bigshareonline.com">ipo@bigshareonline.com</a> <b>Investor Grievance Email:</b> <a href="mailto:investor@bigshareonline.com">investor@bigshareonline.com</a> <b>Contact Person:</b> Mr. Vipin Gupta <b>SEBI Regn. No.</b> INR000001385

### ISSUE PROGRAMME

**ISSUE OPENS ON:** Friday, September 30, 2016

**ISSUE CLOSES ON:** Thursday, October 06, 2016

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

This 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, enactment or regulation shall be to such legislation, enactment or regulation as amended from time to time. In the section “**Main Provision of Articles of Association**” on page 297 of this Prospectus, defined terms have the meaning given to such terms in the Articles of Association.

#### General Terms

Term	Description
“Aurangabad Distillery Limited”, , “ADL”, “We” or “Our” or “us” or “our Company” or “the Issuer”	Unless the context otherwise requires, refers to “Aurangabad Distillery Limited”, (Formerly known Aurangabad Distillery Private limited) a Company originally incorporated under the Companies Act, 1956 vide a Certificate of Incorporation issued by the Registrar of Companies, Maharashtra, Mumbai
“you”, “your” or “yours”	Prospective investors in this Issue.

#### Company related terms

Term	Description
AOA / Articles / Articles of Association	Articles of Association of Aurangabad Distillery Limited (Formerly known as Aurangabad Distillery Private limited), as amended from time to time.
Auditors/ Statutory Auditors	The Auditors of Aurangabad Distillery Limited being M/s Natesh & Associates Chartered Accountants.
Audit Committee	The Committee of the Board of Directors constituted as the Company’s Audit Committee in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015
Bankers to the Company	The Saraswat Co-operative 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 132 of this Prospectus.
CIN	Corporate Identification Number.
Companies Act / Act	The Companies Act, 2013 and amendments thereto. The Companies Act, 1956, to the extent of such of the provisions that are in force.
Company Secretary and Compliance Officer	The Company Secretary and Compliance Officer of our Company being Mrs. Sheetal Jagetiya
Corporate Office & factory	Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depositories	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
DIN	Directors Identification Number.
Director(s) / our Directors	The Director(s) of our Company, unless otherwise specified.
Equity Shares	Equity Shares of the Company of Face Value of Rs.10/- each unless otherwise specified in the context thereof.
Equity Shareholders/ Shareholders	Persons/ Entities holding Equity Shares of Our Company.
Executive Directors	Executive Director is Managing Director & Whole-time Director of our Company.
General Information Document (GID)	The General Information Document for investing in public issues prepared and issued in accordance with the circulars (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 notified by the SEBI.
GIR Number	General Index Registry Number.
Group Companies	The word “group companies”, wherever they occur, shall include such companies as



	covered under the applicable accounting standards and also other companies as considered material by the board of the issuer in its materiality policy and as disclosed in “ <b>Our Group Companies</b> ” promoted by the Promoters on page 155 of this Prospectus.
HUF	Hindu Undivided Family.
ISIN	International Securities Identification Number. In this case being – INE448V01019
Key Management Personnel/ KMP	Key Management Personnel of our Company in terms of the SEBI Regulations and the Companies Act, 2013. For details, see section entitled “ <b>Our Management</b> ” on page 132 of this Prospectus.
IT Act	The Income Tax Act, 1961 as amended till date
Indian GAAP	Generally Accepted Accounting Principles in India.
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on June 15, 2016, in accordance with the requirements of the SEBI (ICDR) Regulations
MOA / Memorandum of Association	Memorandum of Association of Aurangabad Distillery Limited (Formerly known as Aurangabad Distillery Private limited) as amended from time to time.
Non Residents	A person resident outside India, as defined under Foreign Exchange Management Act , 1999
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.
Peer Review Auditor	Independent Auditor having a valid Peer Review certificate in our case being M/s. S.S. Rathi & Co., Chartered Accountants.
Person or Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
Promoters	Shall mean promoters of our Company i.e. Mr. Dharampal Kimatram Kalani, Mr. Amardeepsingh Triloksingh Sethi, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi For further details, please refer to section titled “ <b>Our Promoters and Promoter Group</b> ” beginning on page 147 of this Prospectus.
Promoter Group	Includes such Persons and entities constituting our promoter group covered under Regulation 2(1) (zb) of the SEBI (ICDR) Regulations as enlisted in the section titled “ <b>Our Promoters and Promoter Group</b> ” beginning on page 147 of this Prospectus.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
Registered Office of our Company	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India
Restated Financial Information	The restated audited financial information of the Company, which comprises of the restated audited balance sheet, the restated audited profit and loss information and restated audited cash flow information, as at and for the years ended March 31, 2012, 2013, 2014, 2015 and 2016, together with the annexures and notes thereto.
Reserve Bank of India / RBI	Reserve Bank of India constituted under the RBI Act.
RBI Act	The Reserve Bank of India Act, 1934 as amended from time to time.
RoC/ Registrar of Companies	Registrar of Companies, Maharashtra, Mumbai
SEBI	Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (ICDR) Regulations /ICDR Regulation/ Regulation	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by SEBI on August 26, 2009, as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time.
SEBI (Venture Capital) Regulations	Securities Exchange Board of India (Venture Capital) Regulations, 1996 as amended from time to time.



SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
SEBI Listing Regulations, 2015/SEBI Listing Regulations/Listing Regulations/SEBI (LODR)	The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time.
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.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange	Unless the context requires otherwise, refers to, National Stock Exchange of India Limited

## ISSUE RELATED TERMS

Terms	Description
Allotment/Allot/Allotted	Unless the context otherwise requires, the issue and allotment of Equity Shares, pursuant to the Issue to the successful applicants.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchanges
Allottee (s)	The successful applicant to whom the Equity Shares are being / have been issued.
Applicant/ Investor	Any prospective investor who makes an application for Equity Shares in terms of this Prospectus.
Application Amount	The amount at which the Applicant makes an application for the Equity Shares of our Company in terms of 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 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 Applicant/Investor with an SCSB which will be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant/Investor.
ASBA Application Location (s)/ Specified Cities	Cities as specified in the SEBI Circular No. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Ahmedabad, Bangalore, Baroda (Vadodara), Chennai, Delhi, Hyderabad, Jaipur, Kolkata, Mumbai, Pune, Rajkot and Surat
Bankers to the Issue	Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being Indusind bank Limited
Banker to the Issue Agreement	Agreement dated July 12, 2016 and addendum dated September 16, 2016 entered into amongst the Company, Lead Manager, the Registrar and the Banker of the Issue.
Basis of Allotment	The basis on which the Equity Shares will be Allotted, described in “ <b>Issue Procedure – Basis of Allotment</b> ” on page 286 of the Prospectus.
Broker Centres	Broker centres notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker.
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





Terms	Description
	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 Bidders' 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.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Application Form from the ASBA Applicant and a list of which is available on the website of SEBI at <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/</a> Recognised-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 websites 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 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 Prospectus
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	Hem Finlease Private Limited
Designated Stock Exchange	National Stock Exchange of India Limited (NSE)
DP	Depository Participant
DP ID	Depository Participant's Identity.
Draft Prospectus	Draft prospectus dated June 29, 2016 issued in accordance with Section 32 of the Companies Act, 2013.
Eligible NRI	A Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Prospectus will constitute an invitation to subscribe for the Equity Shares.
Equity Shares	Equity Shares of our Company of face value ₹ 10.00 each
Electronic Transfer of Funds	Refunds through ECS, NEFT, Direct Credit or RTGS as applicable.
FII / Foreign Institutional Investors	Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India.
First/ Sole Applicant	The Applicant whose name appears first in the Application Form or Revision Form.
Foreign Venture Capital Investors	Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000.
FPI / Foreign Portfolio Investor	A Foreign Portfolio Investor who has been registered pursuant to the of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 1995, as amended



Terms	Description
HSL	Hem Securities Limited.
IPO	Initial Public Offering.
Issue/Public size/Initial Public Offering/ IPO	Issue/Issue size/Initial Public Offer/Initial Public Offering/ IPO
Issue Closing Date	The Public Issue 22,00,000 Equity shares of ₹ 10/- each at issue price of ₹ 35/- per Equity share, including a premium of ₹ 25/- per equity share aggregating to ₹ 770.00 Lacs
Issue Opening Date	The date after which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers will not accept any Application for this Issue, which shall be notified in a English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being October 06, 2016
Issue Price	The date on which the Lead Manager, Syndicate Member, Designated Branches of SCSBs and Registered Brokers shall start accepting Application for this Issue, which shall be the date notified in an English national newspaper, Hindi national newspaper and a regional newspaper each with wide circulation as required under the SEBI (ICDR) Regulations. In this case being September 30, 2016
Issue Period	The Price at which the Equity Shares are being issued by our Company under this Prospectus being ₹ 35/- per equity share.
Issue Proceeds	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.
LM/Lead Manager	Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled <b>"Objects of the Issue"</b> page no. 74 of this Prospectus
Listing Agreement/ Equity Listing Agreement	Lead Manager to the Issue, in this case being Hem Securities Limited (HSL).
Market Maker	The Listing Agreement to be signed between our Company and National Stock Exchange of India Limited (NSE).
Market Making Agreement	Member Brokers of NSE who are specifically registered as Market Makers with the NSE Emerge Platform. In our case, Hem Finlease Private Limited (HFPL) (Registration No. INB231110033) is the sole Market Maker
Market Maker Reservation Portion	The Market Making Agreement dated June 28, 2016 and addendum dated September 16, 2016 between our Company and Market Maker Hem Finlease Private Limited (HFPL).
MOU/ Issue Agreement	The reserved portion of 1,12,000 Equity Shares of ₹ 10 each at an Issue price of ₹ 35/- each aggregating to ₹ 39.20 Lacs to be subscribed by Market Maker in this issue.
Mutual Funds	The Memorandum of Understanding dated June 28, 2016 and addendum dated September 16, 2016 between our Company and Lead Manager
Net Issue	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time
Net Proceeds	The Issue (excluding the Market Maker Reservation Portion) of 20,88,000 equity Shares of ₹10 each at a price of ₹ 35 per Equity Share (the <b>"Issue Price"</b> ), including a share premium of ₹ 25 per equity share aggregating to ₹ 730.80 Lacs.
Non-Institutional Investors / Applicant	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 74 of this Prospectus.
NSEL/NSE	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹ 2,00,000/-
NSE EMERGE	National Stock Exchange of India Limited
Other Investor	The SME platform of NSE, approved by SEBI as an SME Exchange for listing of equity shares offered under Chapter X-B of the SEBI ICDR Regulations.
Overseas Corporate Body/ OCB	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 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



Terms	Description
	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, dated September 22, 2016 filed with the RoC in accordance with the provisions of Section 32 of the Companies Act, 2013.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the SCSBs from the bank account of the ASBA Applicant, on the Designated Date.
Qualified Foreign Investor/ QFIs	Non-resident investors other than SEBI registered FIIs or sub-accountants or SEBI registered FCVIs who meet know your client requirements prescribed by SEBI.
Qualified Institutional Buyers/ QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹ 25.00 Crore; a pension fund with minimum corpus of ₹ 25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Registrar/ Registrar to the Issue/ RTA/ RTI	Registrar to the Issue being Bigshare Services Private Limited.
Registrar Agreement	The agreement dated June 27, 2016, 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.
Reserved Category/ Categories	Categories of persons eligible for making application under reservation portion.
Regulations	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 as amended from time to time.
Retail Individual Investors	Individual investors (including HUFs, in the name of Karta and Eligible NRIs) who apply for the Equity Shares of a value of not more than ₹ 2,00,000.
Registered Broker	Individuals or companies registered with SEBI as “Trading Members” (except Syndicate/Sub-Syndicate Members) who hold valid membership of either BSE or NSE having right to trade in stocks listed on Stock Exchanges, through which investors can buy or sell securities listed on stock exchanges, a list of which is available on <a href="http://www.nseindia.com/membership/content/cat_of_mem.htm">http://www.nseindia.com/membership/content/cat_of_mem.htm</a>
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, 2009
Revision Form	The form used by the Applicants to modify the quantity of Equity Shares or the Application Amount in any of their Application Forms or any previous Revision Form(s)
SEBI SAST / SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended
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="http://www.sebi.gov.in/pmd/scsb.pdf">http://www.sebi.gov.in/pmd/scsb.pdf</a>
SME Exchange	SME Platform of the NSE i.e. NSE EMERGE
SME Platform	The SME Platform of NSE i.e. NSE EMERGE for listing equity shares offered under Chapter X-B of the SEBI ICDR Regulation which was approved by SEBI as an SME Exchange on September 27, 2011
SEBI(PFUTP) Regulations/PFUTP Regulations	SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Markets) Regulations, 2003





Terms	Description
Transaction Registration Slip/ TRS	The slip or document issued by the member(s) of the Syndicate to the Applicant as proof of registration of the Application.
Underwriters	The LM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations and the Securities and Exchange Board of India (Underwriters) Regulations, 1993, as amended from time to time.
Underwriting Agreement	The Agreement dated June 28, 2016 and addendum dated September 16, 2016 entered between the Underwriters (HSL) and our Company.
U.S. Securities Act	U.S. Securities Act of 1933, as amended
Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
Working Day	Any day, other than Saturdays or Sundays, on which commercial banks in India are open for business, provided however, for the purpose of the time period between the Bid/Offer Opening Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all trading days excluding Sundays and bank holidays in India in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

## COMPANY AND INDUSTRY RELATED TERMS

### Technical and Industry Related Terms

Term	Full Form
AIDA	All India Distillers Association
BII	Bottled in India
BIO	Bottled in Origin
BL	Bulk Litres
BOD	Biological Oxygen Demand
CDM	Clean Development Mechanism
COD	Chemical Oxygen Demand
CO2	Carbon Dioxide
DAM	Distillery Association of Maharashtra
DG	Diesel Generator
DM	Demineralised Water
EDA	Ethyl Denatured Alcohol
ENA	Extra Neutral Alcohol
HDPE	High Density Polyethylene
HP	Horse Power
I.S.	Industrial Spirit
IMFL	Indian Made Foreign Liquor
KL	Kilo Liters
KLPD	Kilo Liters Per day
KG	Kilo Gram
Ktpa	Kilo Tonnes per annum
KV	Kilo Volt
KW	Kilo Watt
LPD	Liters Per day
Mtrs	Meters
MT	Metric Tonne
MTPA	Metric Ton Per Annum
MVA	Mega Volt Ampere
RO	Reverse Osmosis
RS	Rectified spirit
SME	Small and Medium Enterprise



SS	Suspended Solids
Sq Mtrs	Square Meters
SSI	Small Scale Industries
TPD Tones Per Day	TPD Tones Per Day
TPH Tones Per Hour	TPH Tones Per Hour
v/v	Volume by Volume

## ABBREVIATIONS

Abbreviation	Full Form
AS / Accounting Standard	Accounting Standards as issued by the Institute of Chartered Accountants of India
A/c	Account
AGM	Annual General Meeting
ASBA	Applications Supported by Blocked Amount
AMT	Amount
AIF	Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended.
AY	Assessment Year
AOA	Articles of Association
Approx	Approximately
B. A	Bachelor of Arts
B. Com	Bachelor of Commerce
B. E	Bachelor of Engineering
B. Sc	Bachelor of Science
B. Tech	Bachelor of Technology
Bn	Billion
BG/LC	Bank Guarantee / Letter of Credit
BIFR	Board for Industrial and Financial Reconstruction
BSE	BSE Limited (formerly known as the Bombay Stock Exchange Limited)
CDSL	Central Depository Services (India) Limited
CAGR	Compounded Annual Growth Rate
CAN	Confirmation of Allocation Note
CA	Chartered Accountant
CB	Controlling Branch
CC	Cash Credit
CIN	Corporate Identification Number
CIT	Commissioner of Income Tax
CS	Company Secretary
CS & CO	Company Secretary & Compliance Officer
CFO	Chief Financial Officer
CST	Central Sales Tax
CWA/ICWA	Cost and Works Accountant
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
EPS	Earnings Per Share
EGM /EOGM	Extraordinary General Meeting
ESOP	Employee Stock Option Plan



Abbreviation	Full Form
EXIM/ EXIM Policy	Export – Import Policy
FCNR Account	Foreign Currency Non Resident Account
FIPB	Foreign Investment Promotion Board
FY / Fiscal/Financial Year	Period of twelve months ended March 31 of that particular year, unless otherwise stated
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time, and the regulations framed there under.
FCNR Account	Foreign Currency Non Resident Account
FBT	Fringe Benefit Tax
FDI	Foreign Direct Investment
FIs	Financial Institutions
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	“Foreign Portfolio Investor” means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities And Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act,1992.
FTA	Foreign Trade Agreement.
FVCI	Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
FV	Face Value
GoI/Government	Government of India
GDP	Gross Domestic Product
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
ICWAI	The Institute of Cost Accountants of India
IMF	International Monetary Fund
INR	Indian National Rupee
IIP	Index of Industrial Production
IPO	Initial Public Offer
ICSI	The Institute of Company Secretaries of India
IFRS	International Financial Reporting Standards
HNI	High Net Worth Individual
INR / ₹/ Rupees/Rs.	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
IRDA	Insurance Regulatory and Development Authority
KMP	Key Managerial Personnel
LM	Lead Manager
Ltd.	Limited
MoF	Ministry of Finance, Government of India
MOU	Memorandum of Understanding
M. A	Master of Arts
M. B. A	Master of Business Administration
M. Com	Master of Commerce
Mn	Million
M. E	Master of Engineering
M. Tech	Masters of Technology
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992



<b>Abbreviation</b>	<b>Full Form</b>
MAPIN	Market Participants and Investors Database
NA	Not Applicable
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
NPV	Net Present Value
NRI	Non Resident Indians
NRE Account	Non Resident External Account
NRO Account	Non Resident Ordinary Account
NSE	National Stock Exchange of India Limited
NOC	No Objection Certificate
NSDL	National Securities Depository Limited
OCB	Overseas Corporate Bodies
P.A.	Per Annum
PF	Provident Fund
PG	Post Graduate
PAC	Persons Acting in Concert
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
PBT	Profit Before Tax
PLI	Postal Life Insurance
POA	Power of Attorney
PSU	Public Sector Undertaking(s)
Pvt.	Private
RBI	The Reserve Bank of India
ROE	Return on Equity
R&D	Research & Development
RONW	Return on Net Worth
RTGS	Real Time Gross Settlement
₹/ INR	Indian Rupees, the official currency of the Republic of India
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SME	Small and Medium Enterprises
STT	Securities Transaction Tax
Sec.	Section
SPV	Special Purpose Vehicle
TAN	Tax Deduction Account Number
TRS	Transaction Registration Slip
TIN	Taxpayers Identification Number
US/United States	United States of America
USD/ US\$/ \$	United States Dollar, the official currency of the United States of America
VCF / Venture Capital Fund	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
w.e.f.	With effect from

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



Notwithstanding the following:-

- (i) In the section titled ***“Main Provisions of the Articles of Association”*** beginning on page 297 of the Prospectus, defined terms shall have the meaning given to such terms in that section.
- (ii) In the section titled ***“Financial Information of the Company”*** beginning on page 166 of the Prospectus, defined terms shall have the meaning given to such terms in that section;
- (iii) In the Chapter titled ***“Statement of Tax Benefits”*** beginning on page 83 of the Prospectus, defined terms shall have the same meaning given to such terms in that chapter.





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

### **Certain Conventions**

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

In this Prospectus, the terms “we”, “us”, “our”, the “Company”, “our Company”, “Aurangabad Distillery Limited”, “ADL”, and, unless the context otherwise indicates or implies, refers to Aurangabad Distillery Limited (Formerly known as Aurangabad Distillery Private Limited). In this 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 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 Prospectus, all figures have been expressed in Rupees and Lacs. Unless stated otherwise, the financial data in the Prospectus is derived from our financial statements prepared and restated for the financial year ended 2016, 2015, 2014, 2013 and 2012 in accordance with Indian GAAP, the Companies Act and SEBI (ICDR) Regulations, 2009 included under Section titled “***Financial Information of the Company***” beginning on page 166 of this Prospectus. Our Company does not have a subsidiary. Accordingly, financial information relating to us is presented on a Standalone basis. Our fiscal year commences on April 1 of every year and ends on March 31st of every next year.

There are significant differences between Indian GAAP, the International Financial Reporting Standards (“IFRS”) and the Generally Accepted Accounting Principles in the United States of America (“U.S. GAAP”). Accordingly, the degree to which the Indian GAAP financial statements included in this 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 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 Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act, Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Review Auditor, set out in section titled “***Financial Information of the Company***” beginning on page 166 of this Prospectus.**

For additional definitions used in this Prospectus, see the section “***Definitions and Abbreviations*” on page 1 of this Prospectus. In the section titled “*Main Provisions of Articles of Association*”, on page no 297 of the 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 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 Prospectus is reliable, it has not been independently verified by us or the LM or any of their affiliates or advisors. Similarly, internal Company reports and data, while believed by us to be reliable, have not been verified by any independent source. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.



In accordance with the SEBI (ICDR) Regulations, the section titled “***Basis for Issue Price***” on page 80 of the Prospectus includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the LM, have independently verified such information.

**Currency of Financial Presentation and Exchange Rates**

All references to "Rupees" or "INR" or “₹” 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 Prospectus all figures have been expressed in thousands, Lakhs/Lacs, Million and Crores.

Any percentage amounts, as set forth in “***Risk Factors***”, “***Our Business***”, “***Management's Discussion and Analysis of Financial Conditions and Results of Operation***” on page 15, 104 & 204 in the Prospectus, unless otherwise indicated, have been calculated based on our restated respectively financial statement prepared in accordance with Indian GAAP.

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



## **FORWARD LOOKING STATEMENTS**

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

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

1. Disruption in our manufacturing facilities.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
5. Disruption in supply of Raw Materials i.e. Molasses.
6. Changes in laws and regulations relating to the industries in which we operate;
7. Effect of lack of infrastructure facilities on our business;
8. Increased in prices of Raw Material
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Our ability to successfully implement our growth strategy and expansion plans;
11. Our ability to meet our capital expenditure requirements;
12. Our ability to attract, retain and manage qualified personnel;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. The performance of the financial markets in India and globally;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. Concentration of ownership among our Promoters.

For further discussion of factors that could cause our actual results to differ, see the Section titled “**Risk Factors**”; “**Our Business**” & and “**Management’s Discussion and Analysis of Financial Condition and Results of Operations**” beginning on page 15, 104 & 204 respectively of the 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.

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



## **SECTION II: RISK FACTORS**

*An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. To obtain a better understanding, you should read this section together with "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 104 and 204, respectively, as well as the other financial and statistical information contained in this Prospectus. The risks and uncertainties described in this section are not the only risks that we may face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, results of operations, financial condition and prospects.*

*If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our cash flows, business, financial condition and results of operations could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risks where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. Before making an investment decision, investors must rely on their own examination of the Issue and us.*

*This 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 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 Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in "Risk Factors" on page 15 and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 204 respectively of this Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in the "Financial Information of the Company" prepared in accordance with the Indian Accounting Standards.*

## **INTERNAL RISK FACTORS**

- 1. There are outstanding litigations involving our Company, our promoters and our Group Companies which are pending at different stages before the statutory authorities. The adverse outcome of such proceedings may materially affect our business and financial condition.*



Our Company, our Promoters and our Group Companies are involved in certain legal proceedings which are pending at different levels of adjudication before statutory authorities. A brief detail of such outstanding litigations involving our Company, our Promoters and our Group Companies is provided below:

**Litigation involving Our Company:**

**A. Cases filed against our Company**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Laacs)</b>
Criminal Complaints	1	Not determined
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Direct and Indirect)	6	18.05
Other Litigation	--	--

**Litigation involving Our Promoters:**

**A. Cases filed against our Promoters**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Laacs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Direct and Indirect)	5	38.86
Other Litigation	--	--

**Litigation involving Our Group Company:**

**A. Cases filed against our Group Company**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Laacs)</b>
Criminal Complaints	--	--
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Direct and Indirect)	5	60.71
Other Litigation	--	--

**B. Cases filed by our Group Company**

<b>Nature of Cases</b>	<b>No of Outstanding Cases</b>	<b>Amount involved (In Laacs)</b>
Criminal Complaints	1	Not determined
Statutory/ Regulatory Authorities	--	--
Tax Proceedings (Direct and Indirect)	--	--
Other Litigation	6	Not determined

For further details of legal proceedings involving our Company, our Promoters and Group Companies, please refer to the chapter “**Outstanding Litigation and Material Developments**” on page 217 of this Prospectus. Further, if significant claims are determined against us and we are required to pay all or a portion of the disputed amount, there could be a material adverse effect on our business, results of operations, financial conditions and prospects. We are currently, and may in the future be, implicated in lawsuits in the ordinary course of business, including lawsuits and arbitrations. Litigations and arbitrations could result in substantial costs and a diversion of efforts and attention of our management and/or subject us to significant liabilities to third parties.

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

We require certain statutory and regulatory permits, licenses and approvals to operate our business. We have not obtained registrations for our registered office and corporate office under Bombay Shops and Establishments Act, 1948. Though we believe





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

Our operations are subject to many environmental laws and regulations in Maharashtra in which we operate. Such laws and regulations govern, among other things, air emissions, wastewater discharges, waste disposal and the investigation and remediation of soil groundwater contamination. The Central Government has adopted a “zero tolerance” policy regarding effluent, which results from the distillation of molasses into the extra neutral alcohol (“ENA”) which is the base for the majority of liquor products. As a result, we must make certain capital expenditures on treatment of effluent at the facilities in which we undertake such distillation of molasses, referred to as “primary” distillation.

Our Company has made applications for renewal to regulatory authorities for grant of the following Government / statutory approvals and licenses but the same has not been issued to us till date:

S.No.	Nature of Registration / License	Date of Application	Issuing Authority
1.	Certificate of Registration (Amendment) under Maharashtra Contract Labour (regulation and abolition) Rule 1971	November 04, 2015	Asst. Labour Commissioner, Pune

Additionally, we believe that we will be able to renew or obtain such registrations and approvals or permissions, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. If we are unable to renew, maintain or obtain the required registrations or approvals, it may result in the interruption of our operations and may have a material adverse effect on our revenues, profits and operations.

*For further details see section on “Government and Other Approvals” beginning on page 229 of the Prospectus.*

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

We operate in a highly regulated industry and our operations are subject to extensive regulation in which we do business. We have ongoing obligations to regulatory authorities i.e. Bombay Prohibition Act 1949 and Bombay Rectified Spirit Rules 1951. The penalties for non-compliance with these regulations can be severe, including the revocation or suspension of our business license, imposition of fines in those jurisdictions. For example our manufacturing facilities and sales of our product are subject to verification process by State Excise Inspector. If any inspection results in alerts, the relevant regulator may amend or withdraw our existing approvals to manufacture and market our products in such jurisdiction, which could adversely affect our business, financial condition and results of operations.

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

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



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

Our Company has not complied with certain statutory provisions under the Companies Act, for instance our Company has accepted certain amounts which are classified as deposits under the purview of Section 73 of the Companies Act, 2013 and has accepted loans from Companies in which our directors are interested in the past. Due to absence of professional guidance on the matter, we did not follow the prescribed procedures as laid down under the relevant sections of Companies Act although the deposits and loan from companies are repaid as on date. There are some cases where a form has been filed belatedly in Registrar of Companies for which requisite delayed fees was paid by the Company. Moreover our Company has not filed some form related to creation of charge over movable and immovable property in past. Although such loans are repaid fully and charge created thereon are satisfied as on date. Also our Company has inadvertently filed incorrect Annual Return with respect to the shareholding records, such as the individual shareholding of the shareholders were incorrectly mentioned in the annual returns. Such inappropriate disclosures may liable to statutory penalties in the future.

Additionally our Company may have not complied with some Accounting Standard For instance, Accounting Standards 3, 15, 16, 18 and 21 However, now the Company has made necessary provision for gratuity, leave encashment as per AS 15 and has made necessary compliance in accordance with the Accounting Standards in the re-stated financial statements of the Company. For further details on the same please refer section “**Financial Information of the Company**” beginning on page no. 166 of this Prospectus.

Although no show cause notice have been issued against the Company till date in respect of above, in the event of any cognizance being taken by the concerned authorities in respect of above, penal actions may be taken against the Company and its directors, in which event the financials of the Company and our directors may be adversely affected.

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

Raw materials such as molasses which are used to manufacture of rectified spirit are subject to supply disruptions and price volatility caused by various factors, including commodity market fluctuations, the quality and availability of supply, changes in government programs and regulatory sanctions. Our suppliers may be unable to provide us with a sufficient quantity of our raw materials at a suitable price for us to meet the demand for our products and we may not able to hold sufficient licensed quantity of molasses for smooth supply to our manufacturing process. Additionally there is a risk that one or more of these existing suppliers could discontinue their operations, which could adversely impact our ability to source raw materials at a suitable price and meet our order requirements. Any increase in raw material prices will result in corresponding increases in our product costs.

**6. *Our Company proposes to utilize Net Proceeds to partly pre-pay certain secured loans and unsecured loans availed by our Company, and accordingly, the utilization of that portion of the Net Proceeds will not result in creation of any tangible assets.***

Our Company intends to use Net Proceeds for the purposes of part pre-payment, in full or part, of certain term secured loans and unsecured loan availed by our Company. The details of the loans identified to be repaid or prepaid using the Net Proceeds have been disclosed in the section entitled “**Objects of the Issue**” on page 74 of this Prospectus. However, the repayment of unsecured loan or prepayment of the term loans are subject to various factors including, pre-payment penalty of 2% of the pre-paid amount in case of secured loan. While we believe that utilization of Net Proceeds for repayment of secured and unsecured loans would help us to reduce our cost of debt and enable the utilization of our funds for further investment in business growth and expansion, the pre-payment of loans will not result in the creation of any tangible assets for our Company.

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

We benefit from certain tax regulations and incentives that accord favorable treatment to our manufacturing facilities. These tax benefits include income tax deductions and excise cenvat credit. For details regarding income tax deductions, please refer to the chapter “**Statement of Tax Benefits**” on page 83 of this Prospectus. New or revised accounting policies or policies related to tax, duties or other such levies promulgated from time to time by the relevant authorities may significantly affect our results of operations. We cannot assure you that we would continue to be eligible for such lower tax rates or any other benefits. The reduction



or termination of our tax incentives, or non-compliance with the conditions under which such tax incentives are made available, will increase our tax liability and adversely affect our business prospects, results of operations and financial condition.

**8. *Contingent liabilities could adversely affect our financial condition.***

As of March 31, 2016, our contingent liabilities were ₹ 449.96 lacs for pending demand of Direct tax and Indirect tax. As we believe these claims will be dismissed, no provision has been recorded in our books of account. Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities materialize, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. For further details of contingent liabilities, please refer section titled ***“Financial Information of the Company”*** beginning on page 166 of Prospectus.

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


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

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

**10. *Our Company has incurred loss in the year 2014-15 as per restated financial statement. Any of such situation arise in future may effect on the price of the Equity shares.***

Our company has incurred loss of ₹ 245.17 Lacs in the 2014-15 due to increase in tax expenses in such year as per the restated financial statement. For details please refer to section titled ***“Financial Information of the Company”*** on page 166 of the Prospectus. If such situation arises in future it may affect financial condition and profitability. Also it may impact the price of our equity shares.

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

We are yet to apply for registrations of our trademark  in connection with the protection of intellectual property rights. The registration of any intellectual property right is a time-consuming process, and there can be no assurance that any such registration will be granted. For details please refer to the chapter ***“Government and other Approvals”*** on page 229 of this Prospectus. In the absence of such registration, competitors or other companies may challenge the validity or scope of our intellectual property. Unless our trademarks are registered, we may only get passing off relief for our Trademarks, if used by others, which could materially and adversely affect our business. Similarly, in case our trademark are rejected or objected, this could adversely affect our competitive position, business, financial condition and profitability.

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



**12. Our Registered Office is not owned by us. Our operations may be materially and adversely affected if we are unable to continue to utilize our registered Office in future.**

Our registered office is situated at UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India which is not owned by us. Additionally our Company has signed leave and License Agreement with Karda Construction Limited dated August 01, 2016 for our registered Office. If we are unable to continue to use our registered Office and renew our leave and license agreement on acceptable terms, we may suffer a disruption in our operations which could have a material and adverse effect on our business and results of operations. Further the operations of our Company are operated through corporate office and documents related to our operation are kept at corporate office of our Company. For further details of our registered office and corporate office, kindly refer “**Our Business**” beginning on page 104 of this Prospectus.

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

The business contribution of our top ten clients for the years ended March 2016 is 75.00% of our Revenue from Operations. For further details of our top ten Customer, please refer chapter titled “**Management’s Discussion & Analysis of Financial Conditions & Results of operations**” on page 204 of this Prospectus. While our strategy is intended to enable us to increase our revenues and earnings from our major customer. In addition, our customers are industries that may experience adverse business and financial conditions during economic downturn. The deterioration of the financial condition or business prospects of these customers could reduce their need for our Product, and result in a significant decrease in the revenues and earnings we derive from these customer.

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

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

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

In case of non-availability of raw materials on favourable terms we may have to procure the same at the terms and conditions prevalent at that point. This will result in reducing our revenues by a considerable amount due to shortage of raw material and job worker or due to inability to procure the same. Further, unfavorable terms of raw materials may also force us to reduce the scale of our operations resulting in a down-sizing of our overall business. We may have to put on hold any expansion plans and our business will be adversely affected.

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

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

Particulars	For the year ended (in ₹)				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
<b>Net Cash used in Investing Activities</b>	(12763408)	(145862097)	(36319552)	(22394413)	(13952201)
<b>Net Cash from Financing Activities</b>	9989624	92163772	5508765	4139932	(26316163)



Cash flow of a Company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and to make new investments without raising finance from external resources. Any operating losses or negative cash flows could adversely affect our results of operations and financial conditions. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations. For more information, regarding Cash flows please refer “**Annexure III**” in chapter titled “**Financial Information of the Company**” beginning on page 166 of this Prospectus.

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

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

Efficient inventory management is also a key component of the success of our business, results of operations and profitability. To be successful, we must maintain sufficient inventory levels to meet demand for our products, without allowing those levels to increase to such an extent that the costs associated with storing and holding the inventory adversely affects our results of operations. If our raw materials purchase decisions do not accurately predict sourcing levels or our expectations about demand for our products are inaccurate, we may either not be able to manufacture products to service the demands, resulting in having market share to competitors or would have to take unanticipated markdowns or impairment charges to dispose of the excess or obsolete inventory, which can adversely affect our results of operations. For more information please refer to the chapter “**Management’s Discussion and Analysis of Financial Condition and Result of Operations**” on page 204 of this Prospectus.

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

In accordance with the disclosure requirements stipulated under the SEBI Regulations, the brief biographies of our Directors and Key Management Personnel disclosed in the section entitled “**Our Management**” on page 132 of this Prospectus include details of their educational qualifications and professional experience. However, the original documents evidencing such educational qualifications and professional experience are not available with respect to some of our Directors and Key Management Personnel. Accordingly, we have relied on affidavits provided by such Directors and Key Management Personnel to verify the authenticity of such disclosures.

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

Our Promoter and Promoter Group Members has provided personal guarantees policies to secure a significant portion of our existing borrowings, and may post listing continue to provide such guarantees and other security. In case of a default under our loan agreements, any of the personal guarantees provided by our Promoter and Promoter Group Members may be invoked, which could negatively impact the reputation of our Company. Also, we may face certain impediments in taking decisions in relation to our Company, which in turn would result in a material adverse effect on our financial condition, business, results of operations and prospects and would negatively impact our reputation. In addition, our Promoter and Promoter Group Members may be required to liquidate his shareholding in our Company to settle the claims of the lenders, thereby diluting his shareholding in our Company. We may also not be successful in procuring alternate guarantees satisfactory to the lenders, as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which could affect our financial condition and cash flows. For further details regarding loans availed by our Company, please refer “**Statement of Financial Indebtness**” on page no. 201 of this Prospectus.

***19. Our lenders have imposed certain restrictive conditions on us under our financing arrangements, which may limit our ability to expand our business and our flexibility in planning for, or reacting to, changes in our business and industry.***

We have entered into agreements for short-term and long-term loans and other borrowings. Some of these agreements contain restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to organizational documents, implementing any expansion scheme, incurring further indebtedness and making investments over certain thresholds.





Furthermore, some of our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, *inter alia*, cancel the outstanding facilities available for drawdown, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created.

There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with respect to any such breaches. In the event that any lender seeks the accelerated repayment of any such loan or seeks to enforce any other rights against us, it may have a material adverse effect on the business, cash flows and financial condition of the entity against which repayment is sought.

For details of our Indebtness, kindly refer chapter titled “**Statement of Financial Indebtness**” beginning on page 201 of Prospectus.

**20. Based on certain qualifications noted by our auditors, our Auditors have reported a qualification in respect to matters specified in Companies (Auditor’s report) order, 2015.**

In connection with the audits of our financial statements, our Auditors have reported a qualification in respect to matters specified in the Companies (Auditors Report) Order, 2015, as amended, in the annexure to their audit reports for each of fiscal 2016 that Our Company was covered under purview of Cost Audit for the year 2015-16 but no cost audit report was presented under the period of audit. Such qualifications may be repeated in future years. However, the Company is in process for compliance with the Cost Audit for the year 2015-16.

The existence of any non-compliance under statutory regulations in future could require significant costs and resources to remedy such deficiencies. The existence of such deficiencies could cause the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

**21. The unsecured loan availed by our Company from our Promoter/promoter group maybe recalled at any given point of time.**

Our Company has been availing unsecured loans from our Promoter/promoter group from time to time. The total outstanding payable to them as on May 31, 2016 amounts to Rs. 496.91 Lacs. Although there are no terms and condition prescribed for repayment, this outstanding loan can be recalled at any given point of time during ordinary course of business and thus may affect the business operations and financial performance of our Company. The objects of the present rights issue is repayment of unsecured loan availed from them.

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

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

Further, our future performance will depend upon the skills, efforts, expertise, and continued services of these persons and our ability to attract and retain qualified senior and mid-level managers. The loss of their services or those of any other members of management could impair our ability to implement our strategy and may have a material adverse effect on our business, financial condition and results of operations. For further details of our Directors and key managerial personnel, please refer to Section “**Our Management**” on page 132 of this Prospectus.



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

Our Company is unable to trace certain corporate and other documents in relation to our company including forms filed with Registrar of Companies and minutes prior to the year 2006. Due to Change in methods of records keeping on account of technological advancement and computerization, over the years, certain forms file with ROC prior to the year 2006 like Return of Allotment pertaining to year 2002-03, Registration of charges and modification of charges, annual return etc. could not be traced by our company. Further online filing of Roc Documents was initiated in the year 2006 and all forms prior to the said year were physically filed, hence certain of these forms could not be retrieved from Ministry of Corporate Affairs (MCA) portal. Our Company had carried limited purpose search for the physical copies of the untraceable forms at the RoC Mumbai but the forms are not available at the office of Registrar of Companies as well. As such under the circumstances elaborated above, Our Company cannot assure you that the filings were made in a timely manner or the information gathered through other available documents of the company are correct. Also our Company may not in position to attend to and / or respond appropriately to any legal matter due to lack of lost/ destroyed records and to that extend the same could adversely affect our business operation.

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

Our business depends on the continued performance of our information technology systems, including our automated distillation system which is recently introduced in our factory to avoid the shortcoming of manual distillation process. Our technological systems are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptions. Modernization and technology up gradation is essential to reduce costs and increase the output. Our manufacturing technology may become obsolete or may not be upgraded timely, hampering our operations and financial conditions and we may lose our competitive edge. Although we believe that we have installed upgraded technology in form of automatic distillation system suitable for spirit manufacturing and that the chances of a technological innovation are not very high in our sector we shall continue to strive to keep our technology updated. In case of a new found technology in the spirit manufacturing business, we may be required to implement new technology employed by us. Further, the cost in upgrading our technology is significant which could substantially affect our finances and operations. For further details, kindly refer section titled **“Our Business”** beginning on page no. 104 of this Prospectus.

**25. We have incurred substantial indebtedness which exposes us to various risks which may have an adverse effect on our business and results of operations.**

As of March 31, 2016 we have 2346.57 lakhs, of outstanding debt on our balance sheet. Our level of indebtedness has important consequences to us, such as:

- Increasing our vulnerability to general adverse economic, industry and competitive conditions;
- Limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- Affecting our credit rating;
- Limiting our ability to borrow more money both now and in the future; and
- Increasing our interest expenditure and adversely affecting our profitability, since almost all of our debt
- Bears interest at floating rates.

If any of these risks were to materialize, our business and results of operations may be adversely affected. For details of our Indebtness, kindly refer chapter titled **“Statement of Financial Indebtness”** beginning on page 201 of Prospectus.

**26. One of our Group Companies has incurred losses in the last three financial years.**

The following Group Companies has incurred losses in the last three financial years:

Name of Group Company	Profit/(Loss) for the year ended (Amount in Lacs)		
	31 <sup>st</sup> March 2015	31 <sup>st</sup> March 2014	31 <sup>st</sup> March 2013
Master Blenders Private Limited	(3.16)	(136.60)	(58.53)

We cannot assure you that our Group Companies will not incur losses in the future. For further details of our Group Companies, please refer to **“Our Group Companies”** on page 155 of this Prospectus.



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

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

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

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

Our Company has made an investment in Shares of The Saraswat Co-operative Bank Limited for a consideration of ₹ 26300/- in December 2005. We have not made any provision for this Increase or decrease in the value of investments, if provision is made in future on account of permanent decrease in value of these investments, our profits would reduce to the extent of such provision. This may have an adverse impact on our results of operations and financial conditions.

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

Our business is seasonal in nature and may be adversely affected by severe weather, which may require us to evacuate personnel or curtail services and it may result in damage to a portion of our production of molasses from sugar factory which is used as raw material for manufacture of spirit i.e. Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol which is manufactured by the Continuous Fermentation & Multipressure Vacuum Distillation and also effecting sells of carbon dioxide (CO<sub>2</sub>) and fuel oil which are produced as by-products during distillation process of Spirit. Our operations are also adversely affected by difficult working conditions and extremely heavy rains during monsoon and other weather conditions, which restrict our ability to carry on business activities and fully utilize our resources. Our business is seasonal, therefore our revenues and profitability may vary significantly from quarter to quarter

**30. We have in the past acquired distillery unit to set-up our manufacturing facility. Any future acquisition may or may not be as successful as our previous endeavors.**

Our Company was incorporated in the year 2000 in ROC Maharashtra, Mumbai. Gradually, in 2005 we acquired a distillery unit at Walchandnagar, dist. Pune. We have successfully set-up & operate our distillery and started manufacturing of spirit in our factory. If we continue to expand our units in future by way of acquisitions of such distillery/units, we cannot assure that we would be able to:

- Adequately analyze key risks and other metrics prior to beginning manufacturing activity at that distillery/units;
- Develop a well trained operations team with relevant systems and processes to handle the distillery/units;
- React effectively to any Government regulation which prohibits manufacture, or trade or other such externality which would be having a major impact on cost of production;
- Comply with various regulations of Pollution Control Board and other regulatory authorities;

Hence, any failure to manage new distillery/unit acquisitions, if any, could adversely affect our ability to achieve our sales and key execution targets or our ability to recover / absorb the fixed costs incurred in such acquisition and hence adversely impact our future results of operations and financial conditions.

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

Our Company is mainly engaged in business of manufacturing of spirit which attracts tax liability such as Excise Duty, Sales Tax, and other applicable provision of the Acts. However the Company has been depositing the return under above applicable acts but any demand or penalty raise by concerned authority in future for any previous year and current year will affect the financial position



of the Company. For instance our company has liability of TDS demand due to short deduction of TDS, interest and penalties amounting ₹ 3,22,236/- for previous years. For detail, Please refer “**Outstanding Litigation and Material Development**” beginning on page 217 of Prospectus. Any such penalty arising in future may lead to financial loss to our Company.

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

Our Company had entered into various transactions with our Promoters, Promoter Group, Directors and their Relatives and Group Companies. These transactions, inter-alia includes sale of goods, remuneration, loans and advances, etc. Our Company entered into such transactions due to easy proximity and quick execution. However, there is no assurance that we could not have obtained better and more favourable terms had our Company not entered into such related party transactions. Our Company may enter into such transactions in future also and we cannot assure that in such an event there would be no adverse affect on results of our operations. For details please refer to **Annexure R on Related Party Transactions** of the Auditor’s Report under Section titled “**Financial Information of the Company**” beginning on page no. 166 of this Prospectus.

**33. There may be potential conflicts of interest if our Promoters or Directors are involved in any business activities that compete with or are in the same line of activity as our business operations.**

Our Group Companies such as Satyam Spirit Pvt. Ltd., Metri Spirit Pvt. Ltd. Kapil Spirit Pvt. Ltd. Master Blenders Pvt. Ltd. and Nevitad Distillery Pvt. Ltd. are involved in business of manufacturing of spirit. Also our Company has entered into various transaction such as sales, Loans and Interest in past with our Group Companies and will continue to do in future. For detailed information for our transaction with group Companies please refer to Annexure R of Restated financial Statement under chapter titled “**Financial Information of the Company**” beginning on page 166 of this Prospectus. Further, we have not entered into any non-compete agreement with our said entities. We cannot assure you that our Promoters who has common interest in said entities will not favour the interest of the said entities As a result; conflicts of interests may arise in allocating business opportunities amongst our Company and our Group Companies in circumstances where our respective interests diverge. There can be no assurance that our Promoters or our Group Entities or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such present and future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations. For further details, please refer to “**Common Pursuits**” on Page 150 of this Prospectus.

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

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

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

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



voting. Our Promoters may take actions with respect to our business which may conflict with the best interests of the Company or that of minority shareholders.

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

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

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

We believe that our company have maintain insurance coverage in the amount that is commercially appropriate, we may not have sufficient insurance coverage to cover all economic losses, including when the loss suffered is not easily quantifiable and when our reputation has been damaged. Our insurance coverage includes insurance against damage, loss of profit and business interruption, and third party liability. The list of insured accidents includes risk of damage caused as a result of assets, burglary, fire and product. Even if we have made a claim under an existing insurance policy, we may not be able to successfully assert our claim for any liability or loss under such insurance policy. Any large uninsured loss or insured loss which significantly exceeds the insurance coverage could adversely affect our business, financial condition, results of operations and prospects. For further details of insurance, please refer section titled “***Our Business***” beginning on page no. 104 of this Prospectus.

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

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

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

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

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





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

Our schedule of implementation for the use of Net Proceeds may be affected by various risks, including time and cost overruns as well as factors beyond our control. Any delay in our schedule of implementation may cause us to incur additional costs in form of interest for secured loan. Such time and cost overruns may adversely impact our business, financial condition, results of operation and cash flows. For details of our current schedule of implementation, kindly refer our schedule of implementation in chapter “*Object of the Issue*” on page 74 of Prospectus.

**41. Within the parameters as mentioned in the chapter titled “Objects of the Issue” beginning on page 74 of this Prospectus, our Company’s management will have flexibility in applying the proceeds of this Issue. The fund requirement and deployment mentioned in the Objects of this Issue have not been appraised by any bank or financial institution.**

We intend to use entire fresh Issue Proceeds towards repayment of unsecured loan to Promoter and Promoter Group, Secured loan and to meet the issue expenses. We intend to deploy the Net Issue Proceeds in financial year 2016-17 and such deployment is based on certain assumptions and strategy which our Company believes to implement in future. The funds raised from the fresh Issue may remain idle on account of change in assumptions, market conditions, strategy of our Company, etc., For further details on the use of the Issue Proceeds, please refer chapter titled “*Objects of the Issue*” beginning on page 74 of this Prospectus.

The deployment of funds for the purposes described above is at the discretion of our Company’s Board of Directors. The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution. Accordingly, within the parameters as mentioned in the chapter titled “*Objects of the Issue*” beginning on page 74 of this Prospectus, the Management will have significant flexibility in applying the proceeds received by our Company from the Issue. Our Board of Directors will monitor the utilization of the proceeds of this Issue.

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

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

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

We are subject to various national, state, municipal and local laws and regulations concerning environmental protection in India, including laws addressing the discharge of pollutants into the air and water, the management and disposal of any hazardous substances, and wastes and the cleanup of contaminated sites. Environmental laws and regulations in India are becoming more stringent, and the scope and extent of a new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment and emissions management. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits or shutdown of our facilities. Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain jurisdictions, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with environmental laws. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. Further, liability under some environmental laws relating to contaminated sites can be imposed retroactively, on a



joint and several basis, and without any finding of non-compliance or fault. The amount and timing of costs under environmental laws are difficult to predict.

***44. Information relating to the estimated installed capacities and historical estimated capacity utilisation of our production facilities included in this Prospectus is based on various assumptions and estimates and future production and capacity utilisation may vary from such estimated installed capacity utilisation.***

The estimated installed capacity information and historical estimated capacity utilisation information relating to our production facilities included in this 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 potential utilization levels and operational efficiencies. Actual production levels and utilization rates may differ significantly from the estimated installed capacities or historical estimated capacity utilisation information of our facilities. Undue reliance should therefore not be placed on the estimated installed capacity or historical estimated capacity utilisation information for our existing facilities and the proposed capacity information included in this Prospectus.

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

Our Promoters average cost of acquisition of Equity Shares in our Company is lower than the Issue Price decided by the Company in consultation with the Lead Manager. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapters “**Capital Structure**” beginning on pages 54 of this Prospectus.

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

Our ability to generate returns for Shareholders is dependent on a host of factors that impact our business and financial condition. Our Company has not paid any dividend on its Equity Shares during the last five Financial Years. The amount of future dividend payments, if any, will depend upon a number of factors, such as our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions, capital expenditures and cost of indebtedness. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into. Even in years in which we may have profits, we may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. There can therefore be no assurance that we will be able to pay dividends in the future. For further details, see section “**Dividend Policy**” on page 165 of this Prospectus.

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

Upon successful completion of the Issue, our Promoters and Promoter Group will collectively control, directly or indirectly, approximately 73.17 % of our outstanding Equity Shares (assuming full subscription to the Issue). As a result, our Promoters and Promoter Group will continue to have the ability to exercise significant control over our Company and all matters requiring shareholder approval, including election of directors, our business strategy and policies, and approval of significant corporate transactions such as mergers and business combinations. The extent of their shareholding in our Company may also have the effect of delaying, preventing or deterring a change in control of our Company, even if such a transaction may be beneficial to the other shareholders. The interests of our Promoters and Promoter Group as controlling shareholders of our Company could be in conflict with the interests of our other shareholders. We cannot assure you that our Promoters and Promoter Group will act to resolve any conflicts of interest in favor of our Company or the other shareholders. For details of our shareholding please refer section titled “**Capital Structure**” beginning on page no. 54 of this Prospectus.

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

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



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

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

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

We have issued Equity Shares in the last 12 months, including Bonus Issue, which may be at a price lower than the Issue Price. For further details, see the section entitled "**Capital Structure**" on page 54 of this Prospectus. We may continue to issue Equity Shares, at a price below the market price of Equity Shares at the time of issuance. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

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

Foreign ownership of Indian securities is subject to government regulation. In accordance with the foreign exchange regulations currently in force in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet the requirements specified by the RBI. The RBI must approve the conversion of the Rupee proceeds from any such sale into foreign currency and repatriation of that foreign currency from India unless the sale is made on a stock exchange in India through a stock broker at the market price. As provided in the foreign exchange controls currently in effect in India, the RBI has provided the price at which the Equity Shares are transferred based on a specified formula, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favorable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline. For further details, see the section entitled "**Restrictions on Foreign Ownership of Indian Securities**" on page 297 of Prospectus.

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

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

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

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



## **EXTERNAL RISK FACTORS**

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

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

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

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

### ***54. Changing laws, rules and regulations and legal uncertainties in India, including implication of changing laws, regulation and legal uncertainty on business of the Company..***

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 "***Government and Other Approvals***" on page 229 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. For instance, the Government has proposed a comprehensive national goods and services tax ("***GST***") regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to the tax regime following implementation of the GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

### ***55. Communal disturbances, riots, terrorist attacks and other acts of violence or war involving India and/or other countries could adversely affect India's economy and the financial markets, result in loss of client confidence, and adversely affect our business, financial condition, cash flows and results of operations.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business and profitability.

India and other countries may enter into armed conflict or war with other countries or extend preexisting hostilities. For example, neighboring countries in West and South Asia have experienced instances of civil unrest and hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult.



Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect client confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business. Additionally, such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares.

***56. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.***

The Competition Act was enacted for the purpose of preventing practices that have or are likely to have an adverse effect on competition in India and has mandated the CCI to separate such practices. Under the Competition Act, any arrangement, understanding or action, whether formal or informal, which causes or is likely to cause an appreciable adverse effect on competition is void and attracts substantial penalties.

Further, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, distribution, shares the market by way of geographical area or number of subscribers in the relevant market is presumed to have an appreciable adverse effect in the relevant market in India and shall be void. The Competition Act also prohibits abuse of a dominant position by any enterprise. On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended) which sets out the mechanism for implementation of the merger control regime in India.

***57. The extent and reliability of Indian infrastructure could adversely affect our Company's results of operations and financial condition.***

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

***58. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.***

Terrorist attacks 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. These acts may also result in a loss of business confidence, impede travel and other services and ultimately adversely affect our business. In addition, any deterioration in relations between India and Pakistan might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares. India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on the value of share prices generally as well as the price of our Equity Shares. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

***59. Public companies in India, including our Company, shall be required to prepare financial statements under Indian Accounting Standards.***

India has decided to adopt the "Convergence of its existing standards with IFRS" and not the "International Financial Reporting Standards" ("IFRS"). These "IFRS based/synchronized Accounting Standards" are referred to in India as Ind AS. The Ministry of Corporate Affairs, Government of India, has through a notification dated February 16, 2015, set out the Ind AS and the timeliness for their implementation. Accordingly our Company is required to prepare their financial statements in accordance with Ind AS from April 1, 2016. Given that Ind AS is different in many respects from Indian GAAP under which our financial statements are currently prepared, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements. Further, we have made no attempt to quantify or identify the impact of the differences between Ind AS and Indian GAAP as applied to our financial statements and there can be no assurance that the adoption of Ind AS will not affect our





reported results of operations or financial condition. In addition, our management may also have to divert its time and other resources for the successful and timely implementation of Ind AS. Any failure to successfully adopt Ind AS may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations.

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

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

- The GoI has proposed a comprehensive national goods and services tax (—GSTI) regime that will combine taxes and levies by the Central and State Governments into a unified rate structure which is proposed to be effective from April 1, 2016. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST. The implementation of this rationalized tax structure may be affected by any disagreement between certain state governments, which may create uncertainty. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable.
- Further, the General Anti Avoidance Rules (—GAAR) are proposed to be made effective from April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit amongst other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to our Company, it may have an adverse tax impact on us.

We have not determined the impact of these proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, the GoI may introduce a waiver or incentive scheme in relation to specific population segments such as MSEs in public interest, pursuant to which we may be required to offer our products and services at discounted rates. This may affect our business and results of operations.

***61. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.***

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates. A natural or man-made disaster could result in losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.

Pandemic disease, caused by a virus such as the “Ebola” virus, H5N1, the “avian flu” virus, or H1N1, the “swine flu” virus “zika virus”, could have a severe adverse effect on our business. The potential impact of a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality and morbidity among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; and many other variables.





**Prominent Notes:**

- Public Issue of 22,00,000 Equity Shares of Face Value of ₹ 10/- each of Aurangabad Distillery Limited (“ADL” or “Our Company” or “The Issuer”) for Cash at a Price of ₹ 35/- Per Equity Share (Including a Share Premium of ₹ 25/- per Equity Share) (“Issue Price”) aggregating to ₹.770.00 Lacs, of which 1,12,000 Equity Shares of Face Value of ₹10/- each at a price of ₹ 35/- aggregating to ₹ 39.20 Lacs will be reserved for subscription by Market Maker (“Market Maker Reservation Portion”) and Net Issue to Public of 20,88,000 Equity Shares of Face Value of Rs. 10/- each at a price of ₹35/- aggregating to ₹730.80 Lacs (hereinafter referred to as the “Net Issue”) The Issue and the Net Issue will constitute 26.83% and 25.46% respectively of the Post Issue paid up Equity Share Capital of Our Company.
- This Issue is being made for at least 25 % of the post- issue paid-up Equity Share capital of our Company, pursuant to Rule 19(2) (b) (i) of the Securities Contracts (Regulation) Rules, 1957 as amended. This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as amended, since our is a fixed price issue ‘the allocation’ is the net issue to the public category shall be made as follows:
  - Minimum fifty percent to retail individual investors; and
  - Remaining to
    - Individual applicants other than retail individual investors; and
    - Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for
  - The unsubscribed portion in either of the categories specified in (a) or (b) above may be allocated to the applicants in the other category.

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

- The Net worth of our Company as on March 31, 2016 and March 31, 2015 was Rs. 1526.26 Lacs and Rs. 952.38 Lacs respectively. For more information, see the section titled “**Financial Information of the Company**” beginning on page 166 of this Prospectus.
- The NAV / Book Value per Equity Share, based on Standalone Restated Financials of our Company as March 31, 2016 and March 31, 2015 was Rs. 76.31/- and Rs. 47.62/- per equity share respectively. For more information, see the section titled “**Financial Information of the Company**” beginning on page 166 of this Prospectus.
- The average cost of acquisition of Equity Shares by our Promoters is set out below:

Name of our Promoters	Number of Equity Shares Held	Average Cost of Acquisitions (Rs)
Dharampal Kimatram Kalani	9,90,000	3.33
Amardeepsingh Triloksingh Sethi	5,25,000	3.33
Jagjitkaur Amardeepsingh Sethi	5,25,000	3.33
Kanyalal Kimatram Kalani	10,20,000	3.33

*As certified by our Statutory Auditor vide their certificate dated June 23, 2016 For Further details, please refer to “**Capital Structure**” on page 54 of this Prospectus.*

- The details of transactions of our Company with related parties, nature of transactions and the cumulative value of transactions please refer to section titled “**Financial Information of the Company- Annexure R- Statement of Related Parties Transactions**”, on page no. 194 of Prospectus.
- No Group companies have any business or other interest in our Company, except as stated in section titled “**Financial Information of the Company - Annexure R - Statement of Related Parties Transactions, as Restated**” on page 194 and “**Our Group Companies**” on page 155 and to the extent of any Equity Shares held by them and to the extent of the benefits arising out of such shareholding.



8. Our Company was Originally incorporated as “Aurangabad Distillery Private Limited” on August 03, 2000 under the provisions of Companies Act, 1956 with Registrar of Companies, Maharashtra, Mumbai, vide registration no. 128084 (CIN: U55000MH2000PTC128084). Our Company was converted into a public limited company pursuant to shareholders’ resolution passed at the extra ordinary general meeting of the members of the Company held on May 19, 2016 and the name of our Company was changed from “Aurangabad Distillery Private Limited” to “Aurangabad Distillery Limited” vide a fresh Certificate of Incorporation dated June 07, 2016 issued by the Registrar of Companies, Maharashtra, Mumbai.  
For details of change in our name, please refer to Section titled “**History and Certain Corporate Matters**” on page 128 of this Prospectus.
9. None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of Prospectus.
10. Our Company, Promoters, Directors, Promoter Group have not been prohibited from accessing the Capital Market under any order or direction passed by SEBI nor they have been declared as willful defaulters by RBI / Government authorities. Further, no violations of securities laws have been committed by them in the past or pending against them.
11. Investors are advised to see the paragraph titled “**Basis for Issue Price**” beginning on page 80 of this Prospectus.
12. The Lead Manager and our Company shall update this Prospectus and keep the investors / public informed of any material changes till listing of the Equity Shares offered in terms of this Prospectus and commencement of trading.
13. Investors are free to contact the Lead Manager i.e. Hem Securities Limited for any clarification, complaint or information pertaining to the Issue. The Lead Manager and our Company shall make all information available to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever.
14. In the event of over-subscription, allotment shall be made as set out in paragraph titled “**Basis of Allotment**” beginning on page 286 of this Prospectus and shall be made in consultation with the Designated Stock Exchange i.e. NSE. The Registrar to the Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner as set out therein.
15. The Directors / Promoters of our Company have no interest in our Company except to the extent of remuneration and reimbursement of expenses (if applicable) and to the extent of any Equity Shares of our Company held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and/or trustee, and to the extent of benefits arising out of such shareholding. For further details please see the chapter titled “**Our Management**” beginning at page 132 chapter titled “**Our Promoter & Promoter Group**” beginning at page 147, and chapter titled “**Financial Information of the Company**” beginning at page 166 of this Prospectus.
16. No loans and advances have been made to any person(s) / companies in which Directors are interested except as stated in the Auditors Report. For details, please see “**Financial Information of the Company**” beginning on page 166 of this Prospectus.



## **SECTION III – INTRODUCTION**

### **SUMMARY OF OUR INDUSTRY**

#### **Global Economy Outlook**

Global growth again fell short of expectations in 2015, slowing to 2.4 percent from 2.6 percent in 2014. The disappointing performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade, and capital flows. Going forward, global growth is projected to edge up, but at a slower pace than envisioned in the June 2015 forecast, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. The forecast is subject to substantial downside risks, including a sharper-than-expected slowdown in major emerging and developing economies or financial market turmoil arising from a sudden increase in borrowing costs that could combine with deteriorating fundamentals and lingering vulnerabilities in some countries. In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3 percent, down from 4.9 percent in 2014 and 0.4 percentage point lower than projected in June (as per below figures). In a development unprecedented since the 1980s, most of the largest emerging economies in each region have been slowing simultaneously for three consecutive years. The economic rebalancing in China is continuing and accompanied by slowing growth. Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies has declined substantially. More generally, 2015 growth estimates for more than half of developing countries were further downgraded. Disappointments are concentrated in Latin America and, to a lesser degree, Sub-Saharan Africa, where a number of commodity exporters are struggling to maintain growth.

Notable exceptions in an otherwise gloomy outlook for developing countries include South Asia (reflecting reduced macroeconomic vulnerabilities and domestic policy reforms in India), as well as some commodity-importing countries in East Asia. Growth in low-income countries generally remained robust in 2015, albeit slowing to 5.1 percent from 6.1 percent in 2014. Some low-income economies showed continued strength (Ethiopia, Rwanda, Tanzania), supported by large scale infrastructure investment, ongoing mine development, and consumer spending. However, fiscal risks have increased in several countries in East Africa because of sharp increases in public debt and contingent liabilities.

These scattered bright spots aside, the widespread slowdown across emerging and developing economies is a source of concern for the global economy and poses a threat to hard-won achievements in poverty reduction: more than 40 percent of the world's poor live in the developing countries where growth slowed in 2015.

Worsening prospects for developing countries have coincided with a sharp slowdown in global trade, a rise in financial market volatility, and a substantial decrease in capital inflows (Figure 1.2). In anticipation of tighter U.S. monetary policy, currency pressures have intensified and borrowing costs have increased, particularly for a number of commodity exporters. Significant nominal currency depreciations against the U.S. dollar are straining balance sheets in countries with elevated dollar-denominated liabilities. In an environment of weak global trade, exports are likely to languish. On the domestic front, a trend deceleration in productivity growth, rising private sector leverage, depleted fiscal buffers, and heightened policy uncertainty are major headwinds.

In contrast to developing countries, the recovery in major high-income countries gained traction in 2015 and has been increasingly driven by stronger domestic demand as labor markets heal and credit conditions improve. However, 2016 growth forecasts for high-income countries have been marked down in light of the effect on the United States of dollar appreciation and the impact on Japan of slowing trade in Asia. Conditions for a continued but fragile upturn in the Euro Area still appear in place, despite soft external demand and rising geopolitical concerns. Albeit gradually dissipating, legacies from the global financial crisis continue to be felt across high-income countries, limiting both aggregate demand and the underlying growth potential of these economies.

Going forward, global growth should pick up, albeit at an appreciably slower pace than previously projected, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. Global inflation is expected to increase moderately in 2016 as commodity prices level off, but will remain low by historical standards. A modest upturn in global activity in 2016 and beyond is predicated on a continued recovery in major high-income countries, a gradual slowdown and rebalancing in China, a stabilization of commodity prices, and an increase in global interest rates that is gradual and stays well contained. All of these projections, however, are subject to substantial downside risks.

(Source: <http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2016a/Global-Economic-Prospects-January-2016-Global-Outlook.pdf>)



## **Indian Economy Overview**

As per the Advance Estimates released by the Central Statistics Office (CSO), the growth rate of the gross domestic product (GDP) at constant market prices has been estimated at 7.6 per cent in 2015-16, which is higher than the growth of 7.2 percent growth recorded in the previous year. The growth of the gross value added (GVA) at constant basic prices has been estimated at 7.3 per cent in 2015-16 —as opposed to 7.1 per cent in 2014-15—, with agriculture and allied sectors, industrial sector and services sector growing at 1.1 per cent, 7.3 per cent and 9.2 per cent respectively. The growth of GDP at constant basic prices for the first, second and third quarters of 2015-16 has been estimated at 7.6 per cent, 7.7 per cent and 7.3 per cent respectively.

On the demand side, the growth in final consumption expenditure at constant (2011-12) prices is estimated to have remained strong at 6.9 per cent in 2015-16, as compared to 7.2 per cent in 2014-15. The growth in gross fixed capital formation at constant prices increased from 4.9 per cent in 2014-15 to 5.3 per cent in 2015-16. Exports and imports of goods and non-factor services declined (at constant prices) by 6.3 per cent each in 2015-16; the former mainly on account of the sluggishness in the global economy and the latter on account of decline in international petroleum and other commodity prices

(Source - <http://finmin.nic.in/reports/AnnualReport2015-16.pdf>)

## **Distillery Industry**

The use of alcohol as a drink is an age-old story in India and it appears that the technique for fermentation and distillation was available even in the Vedic times. It was then called “Somarasa” and was used not only for its invigorating effect but also in worship and medicinal uses. To date, not only has the consumption of alcohol been continued but it is an integral part of the Ayurvedic system of medicine.

The distillery industry today consists broadly of two parts, one potable liquor and the industrial alcohol including anhydrous ethanol for blending with petrol. The potable industry producing Indian Made Foreign Liquor and Country Liquor has a steady but limited demand with a growth rate of about 7-10 per cent per annum. The industrial alcohol industry on the other hand, is showing a declining trend because of high price of Molasses which is invariably used as a substrate for production of alcohol. The alcohol produced is now being utilized in the ratio of approximately 52 per cent for potable and the balance 48 percent for industrial and ethanol for blending with petrol, use. Over the years the potable liquor industry has shown remarkable results in the production of high quality spirits. Indian Liquor industry is today exporting a sizable quantity of Indian Liquor products to other countries.

The utilization of Ethyl alcohol or Ethanol, now popularly known as alcohol, for industrial use is a recent phenomenon and its importance came into being towards the end of the second world war. With protection being granted to the sugar Industry in 1932, a large number of sugar factories were established in the country, particularly in Maharashtra and Uttar Pradesh where irrigation facilities existed for cultivation of sugarcane. This increase resulted in accumulation of molasses, which resultantly, caused unmanageable environmental problems. At that time the demand for molasses was almost insignificant and the sugar mills had to incur some expenditure on removal of this bye product i.e. molasses. For resolving these problems a joint committee of U.P. and Bihar was constituted to explore the possibilities of developing alcohol based industries for the purpose of utilization of molasses. The Committee in its report recommended the establishment of distilleries for production of alcohol, utilizing molasses as substrate.

It also recommended that alcohol produced by the distilleries should be admixed with petrol, to supplement motor fuel. The production of alcohol did not only help in solving the problems of disposal of molasses but it also filled up the gap in the demand and supply of motor spirit. As a substantial quantity of alcohol after meeting its requirement for manufacture of gasohol alcohol was diverted for production of alcohol based chemicals in different parts of the country. The utilization of alcohol for this purpose progressed steadily and a substantial quantity of alcohol produced in the country is now being utilized for manufacture of solvents and intermediates. Till a few years back a little more than 50% alcohol produced in the country was being utilized for production of alcohol based chemicals but after the decontrol of molasses in the year 1993 the utilization of alcohol for production of chemicals, dye-stuff, synthetic rubber, polymers and plastics etc. has received a setback.

However, with the advent of ethanol blending with petrol/ motor fuel, the requirement of ethanol/ industrial alcohol has increased manifold in the country to the extent that in case 5-10 % blending, if made mandatory all over the country, the sugar factory molasses available in the country shall not prove to be adequate for meeting the total requirement of ethanol including its use for potable liquors and other industrial uses. The alcohol industry has a total installed capacity of 4200 million litres of alcohol in a year. However, the licenced capacity is concentrated in three states of U.P., Maharashtra and Tamilnadu . With the announcement of the Government of India to make blending of motor fuel with ethanol upto 5 % mandatory and to raise it to 10% by the year 2017-



18, a substantial increase in the requirement as well as production capacity of ethanol is expected and a large number of ethanol distilleries are on the anvil of installation.

The ethanol is being mixed with petrol upto 20% to 25 % in Brazil and nearly 30 -40 % in USA particularly in the state of California. India therefore has to immediately look for other sources of feedstock for production of ethanol for increasing the total production and meeting the requirement of ethanol even for 5-10% blending with petrol, coupled with further increasing the availability of molasses through increase in sugar cane production and sugar mills capacity. Thus the distillery industry is destined to play a very important and vital role in the nation's economic and industrial scenario in the near future.

(Source:- <http://www.aidaindia.org/about-aida.html>)



## **SUMMARY OF OUR BUSINESS**

*The following information should be read together with the information contained in the section titled “Risk factors”, “Industry Overview”, “Management’s discussion and analysis of financial condition and results of operations” and “Financial Information of the Company” on page 15, 96, 204 and 166 respectively of this Prospectus.*

### **OVERVIEW**

We believe that we are one of the leading manufacturers of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol. Apportion of our production of molasses from sugar factory is used as raw material for manufacture of spirit i.e. Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol which is manufactured by the Continuous Fermentation & Multipressure Vacuum Distillation and also effecting sells of carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Our Products are manufactured at our distillery situated at Walchandnagar, Maharashtra with total area of approx 40 Acres which is a molasses based distillery. Our majority of the spirit which contains 95% alcohol by nature and also used to manufacture alcohol by the process of rectification is used by chemical and pharmaceutical industries.

Our Company was originally incorporated on August 03, 2000 as private limited company under the name and style of “Aurangabad Distillery Private Limited” with Registrar of Company, Maharashtra by Original Promoters, Mr. Manoj Wadhwani, Mrs. Kiran Wadhwani and Mr. Sadhuram Wadhwani with a main object to set up an distillery and manufacturing of spirits. In the year 2005, our company purchased a distillery with land and installed Plant & machinery situated at Walchandnagar from Ashok Alcochem Limited. Later in the year 2005, the company was taken over by Present promoters Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi. During the last quarter of the year 2005, our company has started its commercial production of spirit with new management.

The manufacturing process of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol is based on the modern technology of Continuous Fermentation and multi pressure vacuum distillation and molasses from sugar factory is used as raw material for manufacture of Spirit. The Rectified Spirit is the initial product obtained. It is diluted with soft water and further distilled to remove any organic impurities & refined to obtain best quality denatured spirit and extra neutral alcohol. Our Company also sells carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Additionally our company produces electricity through turbine which is captively consumed in our distillation process and reduces the dependency on purchased electricity.

### **Features of our Products:-**

- Molasses based Spirit
- Cleared & colorless
- Homogeneous liquid
- Miscible with water
- Non toxic
- High transparency

### **OUR COMPETITIVE STRENGTH:-**

#### **1. Strategic Location of Manufacturing Unit / Location Advantage:-**

Our factory is situated at Walchandnagar, Maharashtra where we have set up our manufacturing units which is well known for Sugar and distillation industry which gives an advantage for easy availability of raw material i.e. molasses used for manufacturing of Spirit. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our Products supplied to Alcohol manufacturing companies and Chemicals Industries. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.





## **2. Experienced Management Team:-**

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in Distillation industry. Our experienced management and employees have successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani, both have about 15 years of experience in field of distillation and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.

## **3. Quality Assurance and Standards:**

We believe in providing our customers the best possible quality by manufacturing and removing impurities from Spirit. Quality standards followed right from the beginning were very stringent, and adhere during the distillation process of spirit. We are very particular from usage of right quality of molasses to following the right procedure for fermentation. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them.

## **4. Well Established Manufacturing facilities:-**

Our existing manufacturing facility is established in the state of Maharashtra, Walchandnagar with total area of approx 40 Acres of land with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated distillery with fermentation tanks, analyzer column, rectifier column, simmering column and Programmable Logic Controller. The Distillery unit has processing plant for manufacturing rectified spirit and Denatured spirit and further conversion of rectified spirit to Extra Neutral alcohol. Additionally our factory has Effluent treatment plant (ETP) for degradation of waste and CO<sub>2</sub> plant which is generated during the process of distillation. The established manufacturing plant adds significant competitive advantage in distillation process of our Company.

## **5. Existing relationship with suppliers:-**

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

## **OUR BUSINESS STRATEGIES:-**

### **1. Improve capacity utilization and increase operational efficiencies:-**

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. For example, we have set up a captive co-generation power facility to simultaneously produce electric power from turbine along with steam required for manufacturing process, from the same fuel, thereby reducing costs of fuel and power. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in distillation. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.



**2. To build-up a professional organization:-**

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

**3. Maintain consistent profitability:-**

We have generated strong revenue from operations in past decade from the year 2006 to 2016 at a growth stage under the leadership of our Promoters Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani. This has enabled us to further invest in our business. Our sales have been increased from Rs. 664.36 Lacs in the year 2006 to Rs. 4617.99 Lacs in the year 2016 with increase in profit from Rs. 19.36 Lacs in the year 2006 and to Rs. 311.36 Lacs in the year 2016 as per audited financials statement. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

**4. Optimal Utilization of Resources:-**

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

**5. Leveraging our Market skills and Relationships:-**

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



## SUMMARY OF OUR FINANCIALS

### ANNEXURE – I RESTATED STATEMENT OF ASSETS AND LIABILITIES

(Amount in Rs.)

PARTICULARS		AS AT 31ST MARCH				
		2016	2015	2014	2013	2012
<b>A) EQUITY AND LIABILITIES</b>						
1.	Shareholders' Funds					
(a)	Share Capital	20000000	20000000	20000000	20000000	20000000
(b)	Reserves & Surplus	132626041	75237893	99755387	83794148	81566071
	Total (1)	152626041	95237893	119755387	103794148	101566071
2.	Non Current Liabilities					
(a)	Long Term Borrowings	106708625	180594686	101510063	88725807	115383405
(b)	Deferred Tax Liabilities (Net)	51798466	66562746	31822368	29976420	29063928
(c)	Long Term Provisions	5327413	5410750	4762314	4089221	3830973
	Total (2)	163834504	252568182	138094745	122791448	148278307
3.	Current Liabilities					
(a)	Short Term Borrowings	157812055	57724237	39942730	40285980	1302601
(b)	Trade Payables	-39271107	-2368333	-21851997	10603154	18766745
(c)	Other Current Liabilities	27451011	23525121	6268813	3085938	2022761
(d)	Short Term Provisions	10446572	6228116	3817771	2821329	3747491
	Total (3)	156438531	85109141	28177317	56796401	25839598
	<b>GRAND TOTAL (1+2+3)</b>	<b>472899075</b>	<b>432915216</b>	<b>286027450</b>	<b>283381998</b>	<b>275683976</b>
<b>B) ASSETS</b>						
1.	Non Current Assets					
(a)	Fixed Assets					
	i) Tangible Assets	280428235	182982418	192654993	194555182	195035833
	ii) Capital Work in Progress	21368670	110138957	4686626	0	409999
	Total (1)	301796905	293121375	197341619	194555182	195445832
(b)	Non-Current Investment	28300	28300	28300	28300	2516300
(c)	Deferred Tax Assets (Net)					
(c)	Long Term Loans and Advances	64262110	78380738	39455456	20051575	5269012
(d)	Other Non Current Assets	0	0	0	0	0
	Total (1A)	64290410	78409038	39483756	20079875	7785312
2.	Current Assets					
(a)	Inventories	38912815	41926173	25912823	24285443	8695365
(b)	Trade Receivables	124215	-9057956	-6016309	8649145	26384013
(c)	Cash and Cash equivalents	22237396	1535183	1977905	1663474	314039
(d)	Short-Term Loans and Advances	45537334	26981403	27327657	34148879	37059415
	Total (2)	106811760	61384803	49202075	68746941	72452832
	<b>GRAND TOTAL (1+1A+2)</b>	<b>472899075</b>	<b>432915216</b>	<b>286027450</b>	<b>283381998</b>	<b>275683976</b>



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

(Amount in Rs.)

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH				
		2016	2015	2014	2013	2012
1	Revenue From Operation	485329015	406463313	368488197	308955092	261441184
	Less: Excise Duty	23529038	44153384	36672199	26192612	15692164
	Revenue from Operation (Net)	461799977	362309929	331815998	282762480	245749020
2	Other Income	1682722	161670	237831	3863129	97261
	<b>Total Revenue (1+2)</b>	<b>463482699</b>	<b>362471599</b>	<b>332053829</b>	<b>286625609</b>	<b>245846281</b>
3	Expenditure					
(a)	Cost of Goods Consumed	304267446	292731901	248970110	223589667	162199060
(a)	Purchase of Traded Goods	0	0	0	0	0
(c)	Changes in Inventories of finished goods, work in progress and stock -in-trade	2210228	-7069436	-5030826	-4890768	-2939928
(d)	Employee Benefit Expenses	14500790	12664488	13357431	10614216	8417634
(e)	Finance Cost	16212133	4702357	6932242	8185848	11730240
(f)	Depreciation and Amortization Expenses	17270488	12304745	13289356	12548440	11832305
(g)	Other Expenses	60267089	29344921	33467767	24703029	35679068
4	<b>Total Expenditure 3(a) to 3(b)</b>	<b>414728175</b>	<b>344678976</b>	<b>310986081</b>	<b>274750432</b>	<b>226918379</b>
5	Profit/(Loss) Before Tax (2-4)	48754524	17792623	21067749	11875177	18927902
6	Tax Expense:					
(a)	Tax Expense for Current Year	9675000	6050000	3000000	2300000	3620000
(b)	Short/(Excess) Provision of Earlier Year	-3544343	1519739	260562	360823	-101030
(c)	Deferred Tax	-14764280	34740376	1845948	912492	3049566
	Net Current Tax Expenses	-8633623	42310117	5106510	3573315	6568536
7	Profit/(Loss) for the Year (5-6)	57388148	-24517494	15961239	8301862	12359366
8	Earning Per Share					
	Basic and Diluted	28.69	-12.26	7.98	4.15	6.18



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

(Amount in Rs.)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH				
	2016	2015	2014	2013	2012
<b>A) Cash Flow From Operating Activities :</b>					
Net Profit before tax	48754524	17792623	21067749	11875177	18927902
Adjustment for :					
Depreciation	17270488	12304745	13289356	12548440	11832305
Interest Paid	16212133	4702357	6932242	8185848	11730240
Interest Income	-1223263	-143289	-157622	-380452	-7907
Dividend Income	-3750	-2500	-2500	-5000	-5000
Write off of Preliminary Expenditure					102048
Prior Period Income adjusted with Reserves		0	0	0	216689
Operating profit before working capital changes	81010132	34653936	41129225	32224013	42796277
Changes in Working Capital					
(Increase)/Decrease in Inventories	3013358	-16013350	-1627380	-15590078	3526065
(Increase)/Decrease in Trade Receivables	-9331182	3041646	14665454	17734868	-750556
(Increase)/Decrease in Short Term Loans & Advances	-18556931	346254	6821222	2910536	-3693611
Increase/(Decrease) in Trade Payables	-36630547	19483664	-32455151	-8163591	744261
Increase/(Decrease) in Other Current Liabilities	7348017	17256308	3182875	1063177	-5508209
Increase/(Decrease) in Short Term Provisions	593456	-639655	296442	393838	127491
Increase/(Decrease) in Long Term Provisions	-83337	648436	673093	258248	3830973
Cash generated from operations	27362966	58777239	32685780	30831010	41072691
Less:- Income Taxes paid	3886968	5521636	1560562	5153311	972997
Cash Flow Before Extraordinary Item	23475998	53255603	31125218	25677699	40099694
Loss on Amalgamation	0	0	0	6073785	0
<b>Net cash flow from operating activities</b>	<b>23475998</b>	<b>53255603</b>	<b>31125218</b>	<b>19603914</b>	<b>40099694</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets	-25946017	-108084501	-16075793	-11657790	-12058715
Investment made during the year		0	0	2488000	0
Dividend Income	3750	2500	2500	5000	5000
Increase/(Decrease) in Long Term Loans and Advances	11955596	-37923385	-20403881	-13610075	-1906393
Interest Income	1223263	143289	157622	380452	7907
<b>Net cash flow from investing activities</b>	<b>-12763408</b>	<b>-145862097</b>	<b>-36319552</b>	<b>-22394413</b>	<b>-13952201</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital	0	0	0	0	0
Increase/(Decrease) in Short Term Borrowings	100087818	17781507	-343249	38983379	-2436428
Increase/(Decrease) in Long Term Borrowings	-73886061	79084623	12784256	-26657598	-12149495
Interest Paid	-16212133	-4702357	-6932242	-8185848	-11730240



<b>Net cash flow from financing activities</b>	<b>9989624</b>	<b>92163772</b>	<b>5508765</b>	<b>4139932</b>	<b>-26316163</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	20702213	-442721	314431	1349434	-168670
Cash equivalents at the beginning of the year	1535183	1977905	1663474	314039	482710
Cash equivalents at the end of the year	22237396	1535183	1977905	1663473	314040

**Notes:**

<b>Particulars</b>	<b>As on 31<sup>st</sup> March, 2016</b>	<b>As on 31st March, 2015</b>	<b>As on 31st March, 2014</b>	<b>As on 31st March, 2013</b>	<b>As on 31st March, 2012</b>
Component of Cash and Cash equivalents					
Cash on hand	744183	681730	831132	334302	28696
Balance With banks	21213541	733411	1026731	340318	176950
Other Bank Balance	279672	120042	120042	988853	108393
Total	22237396	1535183	1977905	1663474	314039
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.					





### THE ISSUE

<b>PRESENT ISSUE IN TERMS OF THIS PROSPECTUS</b>	
<b>Equity Shares Offered:</b> Public Issue of Equity Shares by our Company	22,00,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 35/- per share aggregating to ₹ 770.00 Lacs
<b>Of which</b>	
<b>Issue Reserved for the Market Makers</b>	1,12,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 35/- per share aggregating to ₹ 39.20 Lacs
<b>Net Issue to the Public*</b>	20,88,000 Equity Shares of ₹ 10/- each for cash at a price of ₹ 35/- per share aggregating to ₹ 730.80 Lacs
	<b>of which</b>
	10,44,000 Equity Shares of ₹ 10/- each at a premium of ₹ 35/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs
	10,44,000 Equity Shares of ₹ 10/- each at a premium of ₹ 35/- per Equity Share will be available for allocation for allotment to other Investors of above ₹ 2.00 Lacs
<b>Equity Shares outstanding prior to the Issue</b>	60,00,000 Equity Shares of face value of ₹10 each
<b>Equity Shares outstanding after the Issue</b>	82,00,000 Equity Shares of face value of ₹10 each
<b>Objects of the Issue</b>	Please see the chapter titled “ <i>Objects of the Issue</i> ” on page 74 of this Prospectus

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to “*Issue Structure*” on page 252 of this Prospectus.

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

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

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



## GENERAL INFORMATION

Our Company was originally incorporated as Aurangabad Distillery Private Limited on August 03, 2000 under the provisions of Companies Act, 1956 with Registrar of Companies, Mumbai, Maharashtra, vide CIN: U55000MH2000PTC128084. Further, pursuant to Special resolution passed by the Shareholders, at the Extra Ordinary General Meeting held on May 19, 2016 Company was converted into Public Limited Company and consequently name of Company was changed from “Aurangabad Distillery Private Limited” to “Aurangabad Distillery Limited” and a fresh certificate of incorporation vide CIN No. U55000MH2000PLC128084 was issued by the Registrar of Companies, Mumbai, Maharashtra on June 7, 2016.

For further details please refer to chapter titled “*History and Certain Corporate Matters*” beginning on page 128 of this Prospectus.

### **Registered Office of our Company**

#### **Aurangabad Distillery Limited**

UG 109, Upper Ground, Dreams Mall,

LBS Road, Bhandup (West),

Mumbai-400078, Maharashtra, India E-mail: [info@aurangabaddistillery.com](mailto:info@aurangabaddistillery.com)

Website: [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

Corporate Identification Number: U55000MH2000PLC128084

Registration Number: 128084

### **Corporate Office & factory**

#### **Aurangabad Distillery Limited**

Gat No. 45/2, 47/2, 48/2 and 50/2,

Village Rangoan (Ranmodwadi) Walchandnagar,

Taluka Indapur, Dist. Pune – 413114,

Maharashtra, India

Tel. No. +91- 02118-252507, 91- 02118-252504

E-mail: [info@aurangabaddistillery.com](mailto:info@aurangabaddistillery.com)

Website: [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

### **Address of Registrar of Companies**

Registrar of Companies, Maharashtra, Mumbai

100, Everest, Marine Drive,

Mumbai-400002, Maharashtra

Phone: 022-22812627/22020295/22846954; Fax: 022-22811977

Email: [roc.mumbai@mca.gov.in](mailto:roc.mumbai@mca.gov.in)

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

### **Board of Directors of our Company**

Our Board of Directors of our Company consists of:

Name	Designation	Address	DIN
Mr. Dharampal Kimatram Kalani	Managing Director	Hari Pooja Puram, A-3 Bunglow opp. Rajhans Press, Kasaba Bhavda Road, Nagala Park, Dist-Kolhapur – 416003, Maharashtra, India	00041021
Mr. Amardeepsingh Triloksingh Sethi	Chairman Cum Whole-time Director	Trilok Villa, P. NO. 17-18 Town Centre N-1, CIDCO Aurangabad-431001, Maharashtra, India	00097644



Mr. Kanyalal Kimatram Kalani	Non Executive Director	Plot No. 13, Kalani House, jai Bhavani Road, Near Manohar Garden, Upnagar, Nasik-422101, Maharashtra, India	00282182
Mrs. Jagjitkaur Amardeepsingh Sethi	Non Executive Director	Trilok Villa, P. NO. 17-18 Town Centre N-1, CIDCO Aurangabad-431001, Maharashtra, India	01825035
Mr. Ashokchandra Dwarkadhish Dhish	Non Executive Independent Director	B-104/105, Renuka Darshan Soc, Rest Camp Road, Devlali, Nashik-422101, Maharashtra, India	07599607
Mr. Karan Vallabh Yadav	Non Executive Independent Director	Plot No. 210, Above Indian Bank, Samarth Nagar, Aurangabad-431001, Maharashtra, India	07587347
Mr. Gurnamsing Surendrasing Bhatiyani	Non Executive Independent Director	Bramha Suncity, C4,0101, Vadgaon sheri, Pune-411014, Maharashtra, India	02536636
Mr. Prakash Madhavrao Sawant	Additional Non Executive Independent Director	8, Jeevan Darshan Appt. Gopal Nagar Artillary, Centre Road, Nashik Road, Nashik-422401, Maharashtra, India	07618451

For further details of the Directors of our Company, please refer to the chapter titled “*Our Management*” on page 132 of this Prospectus.

#### **Company Secretary and Compliance Officer**

**Mrs. Sheetal Jagetiya**

**Aurangabad Distillery Limited**

Gat No. 45/2, 47/2, 48/2 and 50/2,  
Village Rangoan (Ranmodwadi) Walchandnagar,  
Taluka Indapur, Dist. Pune – 413114,  
Maharashtra, India

Tel. No. +91- 02118-252507, 91- 02118-252504

E-mail: [cs@aurangabaddistillery.com](mailto:cs@aurangabaddistillery.com)

Website: [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

#### **Chief Financial Officer**

**Mr. Uday Balwant Hemade**

**Aurangabad Distillery Limited**

Gat No. 45/2, 47/2, 48/2 and 50/2,  
Village Rangoan (Ranmodwadi) Walchandnagar,  
Taluka Indapur, Dist. Pune – 413114,  
Maharashtra, India

Tel. No. +91- 02118-252507, 91- 02118-252504

E-mail: [cfo@aurangabaddistillery.com](mailto:cfo@aurangabaddistillery.com)

Website: [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

*Note - Investors can contact our Compliance Officer in case of any pre-Issue or post-Issue related matters such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary account etc.*

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

#### **LEAD MANAGER OF THE ISSUE**

**HEM SECURITIES LIMITED**

14/15 Khatau Building, 1st Floor, 40 Bank Street,



## ***Aurangabad Distillery Limited***

Fort, Mumbai – 400001, Maharashtra

**Tel No.:** +91-22-49060000

**Fax No.:** +91-22-22625991

**Email:** [ib@hemsecurities.com](mailto:ib@hemsecurities.com)

**Investor Grievance Email:** [redressal@hemsecurities.com](mailto:redressal@hemsecurities.com)

**Website:** [www.hemsecurities.com](http://www.hemsecurities.com)

**Contact Person:** Mr. Anil Bhargava

**SEBI Regn. No.:** INM000010981

### **LEGAL ADVISOR TO THE ISSUE:-**

#### **VEDANTA LAW CHAMBERS**

Ist Floor, SSK House, B-62, Sahakar Marg, Lal Kothi,

Jaipur-302015 Rajasthan, India

**Tel No.:** +91- 141 -2740911, +91- 141 -4014091

**Fax:** +91- 141 -2740911

**Website:** [www.vedantalaw.webs.com](http://www.vedantalaw.webs.com)

**Email:** [vedantalaw@rediffmail.com](mailto:vedantalaw@rediffmail.com)

**Contact Person:** Nivedita Ravindra Sarda

### **REGISTRAR TO THE ISSUE**

#### **BIGSHARE SERVICES PRIVATE LIMITED**

E-2, Ansa Industrial Estate, Sakhivihar Road, Sakinaka, Andheri (East),

Mumbai-400 072, Maharashtra, India

**Tel No.:** +91-22-40430200

**Fax No.:** +91-22-28475201

**Email:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Investor Grievance Email:** [investor@bigshareonline.com](mailto:investor@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

**Contact Person:** Mr. Vipin Gupta

**SEBI Regn. No.:** INR000001385

### **BANKERS TO THE COMPANY**

#### **THE SARASWAT CO-OPERATIVE BANK LIMITED**

Plot no. 6 C-2, Town Centre, CIDCO Branch,

Aurangabad – 431003, Maharashtra, India

**Tel No. -** +91-0240-2243007

**Fax No. -** +91-0240-2243015

**Email Id –** [Sr\\_bhat@saraswatbank.com](mailto:Sr_bhat@saraswatbank.com)

**Website –** [www.saraswatbank.com](http://www.saraswatbank.com)

**Contact Person –** Mr. S.R. Bhat

### **STATUTORY AUDITORS OF THE COMPANY**

#### **M/S. NATESH & ASSOCIATES.**

##### **CHARTERED ACCOUNTANTS**

5, Sai Anand Sankul, 2<sup>nd</sup> Floor, Above Samarth Classes,

Bytco Pint, Nashik Road, Nashik-422101, Maharashtra, India

**Tel. No:** +91-0253-2462592

**Email:** [nateshca@gmail.com](mailto:nateshca@gmail.com)

**Firm Registration No.:** 106957W

**Contact Person:** Mr. R. Natesh



## PEER REVIEW AUDITORS

### **S.S. RATHI & CO**

#### **CHARTERED ACCOUNTANTS**

502, Shree Shiv dutta Apartment, Near Lalit Restaurant, Station Road,  
Goregaon (West), Mumbai-400062, Maharashtra, India

Tel. No.: +91 - 22 – 2879 7415

Fax No.:+91- 22 - 2879 7415

Website: [www.ssrca.com](http://www.ssrca.com)

Email: [ssrathica@gmail.com](mailto:ssrathica@gmail.com) , [ravi@ssrca.com](mailto:ravi@ssrca.com)

Firm Registration No.: 003616C

Contact Person: CA. Ravi K Jagetiya

## BANKERS TO THE ISSUE

### **INDUSIND BANK LIMITED**

Indusind Bank, PNA House, 4<sup>th</sup> Floor,

Plot No. 57 & 57/1, Road No. 17, Near

SRL, MIDC, Andheri East, Mumbai-400093, Maharashtra, India

Tel. No.:+91-22-6106 9234

Fax No.:+91-22-6106 9315

Website: [www.indusind.com](http://www.indusind.com)

Email: [suresh.esaki@indusind.com](mailto:suresh.esaki@indusind.com)

Contact Person:Mr. Suresh Esaki

SEBI Regn. No. INB100000002

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

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

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

## STATEMENT OF 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 Managers is not required.

## SELF CERTIFIED SYNDICATE BANKS (“SCSBS”)

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

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



## **REGISTERED BROKERS**

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the NSE at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## **REGISTRAR TO THE ISSUE AND SHARE TRANSFER AGENTS [RTA]**

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

## **COLLECTING DEPOSITORY PARTICIPANTS [CDP]**

The list of the CDPs eligible to accept application forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchange at [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

## **BROKERS TO THE ISSUE**

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

## **CREDIT RATING**

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

## **IPO GRADING**

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

## **DEBENTURE TRUSTEES**

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

## **TRUSTEES**

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

## **MONITORING AGENCY**

As per Regulation 16(1) of the SEBI (ICDR) Regulations, 2009 as amended, the requirement of Monitoring Agency is not mandatory if the Issue size is below Rs. 50000.00 Lacs. Since the Issue size is only of Rs.770.00 Lakhs, our Company has not appointed any monitoring agency for this Issue.

However, as per the Regulation 18 (3) read with part C of schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

## **APPRAISING ENTITY**

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

## **EXPERTS OPINION**

Except for the reports in the section “*Financial Information of the Company*” and “*Statement of Tax Benefits*” on page 166 and page 83 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any





expert opinions. We have received written consent from the Peer Review Auditors and Statutory Auditor for inclusion of their name. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

## UNDERWRITING

The Company and the Lead Manager to the Issue hereby confirm that the Issue is 100% Underwritten by the Lead Manager – Hem Securities Limited in the capacity of Underwriter to the Issue.

Pursuant to the terms of the Underwriting Agreement dated June 28, 2016, and addendum dated September 16, 2016 entered into by us with Underwriter – Hem Securities Limited, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

Details of the Underwriter	No. of shares underwritten	Amount Underwritten (₹ in Lakhs)	% of Total Issue Size Underwritten
<b>Hem Securities Limited</b> 203, Jaipur Tower, M.I. Road, Jaipur, Rajasthan Tel: 0141- 4051000; Fax: 0141 – 5101 757 Web: <a href="http://www.hemsecurities.com">www.hemsecurities.com</a> Email: <a href="mailto:underwriter@hemsecurities.com">underwriter@hemsecurities.com</a> Contact Person: Mr. Anil Bhargava SEBI Regn. No. INM000010981	22,00,000* Equity Shares of ₹ 10/- being issued at ₹ 35/- each	770.00	100%

*\*Includes 1,12,000 Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker (Hem Finlease Private Limited) in its OWN account in order to claim compliance with the requirements of Regulation 106 V (4) of the SEBI (ICDR) Regulations, 2009, as amended.*

As per Regulation 106P (2) of SEBI (ICDR) Regulations, the Lead Manager has agreed to underwrite to a minimum extent of 15 % of the Issue out of its own account.

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

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the lead Manager has entered into Market Making Agreement dated June 28, 2016 and addendum dated September 16, 2016 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

<b>Name</b>	Hem Finlease Private Limited
<b>Correspondence Address:</b>	203, Jaipur Tower, M.I. Road, Jaipur – 302 001, Rajasthan, India
<b>Tel No.:</b>	+ 91 - 141 – 4051000, 5108133
<b>Fax No.</b>	+ 91 - 141 – 5101757
<b>E-mail:</b>	<a href="mailto:hem@hemonline.com">hem@hemonline.com</a>
<b>Website:</b>	<a href="http://www.hemonline.com">www.hemonline.com</a>
<b>Contact Person:</b>	Mr. Anil Bhargava
<b>SEBI Registration No.:</b>	INB231110033
<b>NSE Market Maker Registration No.</b>	11100

The Market Maker shall fulfil 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:

- 1) The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).



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

In case of termination of the above mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 106 V of the SEBI (ICDR) Regulations, 2009, as amended. Further our Company and the Lead Manager reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 11.00 a.m. to 5.00 p.m. on working days.

- 13) **Risk containment measures and monitoring for Market Makers:** SME portal of NSE “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 can impose any other margins as deemed necessary from time-to-time.



- 14) **Punitive Action in case of default by Market Makers:** NSE's SME Exchange will monitor the obligations on a real time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines / suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
- 15) **Price Band and Spreads:** The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time
- 16) Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

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

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



### CAPITAL STRUCTURE

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

(₹ in Lacs, except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price
<b>A</b>	<b>Authorized Share Capital</b> 90,00,000 Equity Shares having Face Value of ₹ 10/- each	900.00	-
<b>B</b>	<b>Issued, Subscribed &amp; Paid-up Share Capital prior to the Issue</b> 60,00,000 Equity Shares having Face Value of ₹10/- each	600.00	-
<b>C</b>	<b>Present Issue in terms of this Prospectus*</b> 22,00,000 Equity Shares having Face Value of ₹ 10/- each at a Premium of ₹ 25/- per share	220.00	770.00
	<b>Which Comprises</b>		
<b>I.</b>	<b>Reservation for Market Maker portion</b> 1,12,000 Equity Shares of ₹10/- each at a premium of ₹ 25/- per Equity Share	11.20	39.20
<b>II.</b>	<b>Net Issue to the Public</b> 20,88,000 Equity Shares of ₹ 10/- each at a premium of ₹ 25 /- per Equity Share	208.80	730.80
	<b>of which</b>		
	10,44,000 Equity Shares of ₹ 10/- each at a premium of ₹ 25/- per Equity Share will be available for allocation for allotment to Retail Individual Investors of up to ₹ 2.00 Lacs	104.40	365.40
	10,44,000 Equity Shares of ₹ 10/- each at a premium of ₹ 25/- per Equity Share will be available for allocation for allotment to Other Investors of above ₹ 2.00 Lacs	104.40	365.40
<b>D</b>	<b>Paid up Equity capital after the Issue</b> 82,00,000 Equity Shares having Face Value of ₹10/- each	820.00	-
<b>E</b>	<b>Securities Premium Account</b> Before the Issue After the Issue		.... 550.00

\*The present Issue of 22,00,000 Equity Shares in terms of Prospectus has been authorized pursuant to a resolution of our Board of Directors dated June 08, 2016 and by special resolution passed under Section 62(1) (c) of the Companies Act, 2013 at the Extra Ordinary General Meeting of the members held on June 13, 2016.

#### 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 Prospectus.

#### Notes to Capital Structure

##### 1. Details of Increase/Changes in Authorized Share Capital of our Company:

Date of Meeting	AGM/ EGM	Changes in Authorized Share Capital
On Incorporation	---	Authorized share capital of the Company ₹ 5.00 Lakh divided into 50,000 Equity Shares of ₹10/- each.
March 17, 2008	EGM	Increase in the authorized share capital of the Company from ₹ 5.00 Lakh divided into 50,000 Equity Shares of ₹10/- each to ₹ 200.00 Lakhs divided into 20,00,000 Equity Shares of ₹ 10/- each.
August 08, 2013	Due to Amalgamation of	Increase in the authorized share capital of the Company from ₹ 200.00 Lakh divided into 20,00,000 Equity Shares of ₹10/- each to ₹ 210.00 Lakhs divided into



Date of Meeting	AGM/ EGM	Changes in Authorized Share Capital
	Aditya Petro Chemicals (India) Private Limited	21,00,000 Equity Shares of ₹ 10/- each.
May 19, 2016	EGM	Increase in the authorized share capital of the Company from ₹ 210.00 Lakhs divided into 21,00,000 Equity Shares of ₹ 10/- each to ₹ 900 lakhs divided into 90,00,000 Equity Shares of ₹ 10/- each

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

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

Date of Allotment / Date of Fully Paid Up	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration	Nature of Allotment	Cumulative number of Equity Shares	Cumulative Securities Premium Account (₹)	Cumulative Paid- up Capital (₹)
Upon Incorporation	30	10/-	10/-	Cash	Subscription to MOA <sup>(i)</sup>	30	NIL	300
2002-03*	9,970	10/-	10/-	Cash	Further Allotment <sup>(ii)</sup>	10,000	NIL	1,00,000
November 24, 2005	40,000	10/-	10/-	Cash	Further Allotment <sup>(iii)</sup>	50,000	NIL	5,00,000
March 25, 2008	19,50,000	10/-	10/-	Cash	Further Allotment <sup>(iv)</sup>	20,00,000	NIL	2,00,00,000
May 19, 2016	40,00,000	10/-	--	Bonus in the ratio of 2:1#	Bonus Issue <sup>(v)</sup>	60,00,000	NIL	6,00,00,000

\* The return of allotment for the year 2002-03 is not traceable in records of the Company and the same is not available in records of ROC.

#Bonus issue of 40,00,000 equity shares in ratio of (2:1) dated May 19, 2016 has been issued by Capitalization of Reserve & Surplus of the Company.

### Notes:

#### (i) The Subscribers to the Memorandum of Association of Our Company were

Name	No. of Equity Shares
Sadhuram Patladhamal Wadhwani	10
Manoj Sadhuram Wadhwani	10
Kiran Sanjay Wadhwani	10
<b>Total</b>	<b>30</b>

#### (ii) Further allotment of 9,970 Equity Shares were made to:

Name	No. of Equity Shares
Dharampal Kimatram Kalani	1000
Hiralal Kimatram Kalani	1000
Kanyalal Kimatram Kalani	1000
Pradeep Rameshkumar Nandwani	1000
Brijesh Rameshkumar Nandwani	1000



Memkaur Triloksingh Sethi	1000
Hirasingh Triloksingh Sethi	1000
Ratansingh Triloksingh Sethi	1000
Amardeepsingh Triloksingh Sethi	970
Ajitsingh Triloksingh Sethi	1000
<b>Total</b>	<b>9,970</b>

**(iii) Further allotment of 40,000 Equity Shares were made to:**

<b>Name</b>	<b>No. of Equity Shares</b>
Dharampal Kimatram Kalani	4,000
Hiralal Kimatram Kalani	4,000
Kanyalal Kimatram Kalani	4,000
Pradeep Rameshkumar Nandwani	4,000
Brijesh Rameshkumar Nandwani	4,000
Memkaur Triloksingh Sethi	4,000
Hirasingh Triloksingh Sethi	4,000
Ratansingh Triloksingh Sethi	4,000
Amardeepsingh Triloksingh Sethi	4,000
Ajitsingh Triloksingh Sethi	4,000
<b>Total</b>	<b>40,000</b>

**(iv) Further allotment of 19,50,000 Equity Shares were made to:**

<b>Name</b>	<b>No. of Equity Shares</b>
Dharampal Kimatram Kalani	1,95,000
Hiralal Kimatram Kalani	1,95,000
Kanyalal Kimatram Kalani	1,95,000
Pradeep Rameshkumar Nandwani	1,95,000
Kanu Wines Pvt. Ltd.	1,95,000
Memkaur Triloksingh Sethi	1,20,000
Hirasingh Triloksingh Sethi	45,000
Ratansingh Triloksingh Sethi	1,20,000
Amardeepsingh Triloksingh Sethi	1,20,000
Ajitsingh Triloksingh Sethi	45,000
Baljeet Ratansingh Sethi	1,75,000
Jagjitkaur Amardeepsingh Sethi	1,75,000
Ramanjit Hirasingh Sethi	1,75,000
<b>Total</b>	<b>19,50,000</b>

**(v) Bonus allotment of 40,00,000 Equity Shares of face value of Rs. 10/-each in ratio of 2:1 i.e. 2 Bonus Equity Shares for every 1 Equity Shares held) were made to:**

<b>Name</b>	<b>No. of Equity Shares</b>
Dharampal Kimatram Kalani	6,60,000
Hiralal Kimatram Kalani	6,60,000
Kanyalal Kimatram Kalani	6,80,000
Memkaur Triloksingh Sethi	2,50,000
Hirasingh Triloksingh Sethi	1,00,000
Ratansingh Triloksingh Sethi	2,50,000
Amardeepsingh Triloksingh Sethi	3,50,000





Baljeet Ratansingh Sethi	3,50,000
Jagjitkaur Amardeepsingh Sethi	3,50,000
Ramanjit Hirasingh Sethi	3,50,000
<b>Total</b>	<b>40,00,000</b>

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

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

Date of Allotment/Date of fully Paid up	No of Equity Shares	Cumulative No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Cumulative Securities Premium Account	Cumulative Paid up Capital (Rs.)	Consideration	Nature of Issue and Category of Allottees
May 19, 2016	40,00,000	40,00,000	10	--	--	4,00,00,000	Other than Cash	Bonus in the ratio of 2:1 i.e. 2 share for every 1 share held

### 4. 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 (₹)	Reasons for Allotment	Benefits Accrued to our Company	Allottees	No. of Shares Allotted
May 19, 2016	40,00,000	10/-	--	Bonus in the ratio of 2:1 i.e. 2 share for every 1 share held	Capitalization of Reserves	Dharampal Kimatram Kalani	6,60,000
						Hiralal Kimatram Kalani	6,60,000
						Kanyalal Kimatram Kalani	6,80,000
						Memkaur Triloksingh Sethi	2,50,000
						Hirasingh Triloksingh Sethi	1,00,000
						Ratansingh Triloksingh Sethi	2,50,000
						Amardeepsingh Triloksingh Sethi	3,50,000
						Baljeet Ratansingh Sethi	3,50,000
						Jagjitkaur Amardeepsingh Sethi	3,50,000
						Ramanjit Hirasingh Sethi	3,50,000

5. No Equity Shares have been allotted pursuant to any scheme approved under Section 391-394 of the Companies Act, 1956.

6. We have not revalued our assets since inception and have not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

7. Except as mentioned below, no Equity shares have been issued at price below Issue price within last one year from the date of the Prospectus.

Date of Allotment	Allottees	No. of Equity Shares allotted	Face Value (in ₹)	Issue Price (in ₹)	Reason for Allotment	Category of Allottees
May 19, 2016	Dharampal Kimatram Kalani	6,60,000	10	--	Bonus issue in the ratio of 2:1 [(2) Equity Shares for every (1) Equity shares held]	Promoter
	Hiralal Kimatram Kalani	6,60,000				Promoter Group
	Kanyalal Kimatram Kalani	6,80,000				Promoter
	Memkaur Triloksingh Sethi	2,50,000				Promoter Group
	Hirasingh Triloksingh Sethi	1,00,000				Promoter Group
	Ratansingh Triloksingh Sethi	2,50,000				Promoter Group



	Amardeepsingh Triloksingh Sethi	3,50,000				Promoter
	Baljeet Ratansingh Sethi	3,50,000				Promoter Group
	Jagjitkaur Amardeepsingh Sethi	3,50,000				Promoter
	Ramanjit Hirasingh Sethi	3,50,000				Promoter Group
<b>Total</b>		<b>40,00,000</b>				

## 8. Details of Shareholding of Promoters

As on the date of this Prospectus, our Promoters Mr. Dharampal Kimatram Kalani, Mr. Amardeepsingh Triloksingh Sethi, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi hold 9,90,000 Equity Shares, 5,25,000 Equity Shares, 10,20,000 Equity Shares and 5,25,000 equity shares respectively 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 (₹)**	Nature Of Transactions	Pre-Issue Share holding %	Post-Issue Share holding %	Lock-in Period	Source of Funds
Mr. Dharampal Kimatram Kalani								
2002-03	1,000	10	10	Allotment	0.02	0.01	3 Years	Own Fund
November 24, 2005	4,000	10	10	Allotment	0.07	0.05	3 Years	Own Fund
March 25, 2008	1,95,000	10	10	Allotment	3.25	2.38	3 Years	Own Fund
May 28, 2010	1,30,000	10	10	Acquisition	2.17	1.59	1 Years	Own Fund
May 19, 2016	3,00,000	10	----	Bonus Issue	5.00	3.66	3 Years	-----
	3,60,000				6.00	4.39	1 Years	
Mr. Amardeepsingh Triloksingh Sethi								
2002-03	970	10	10	Allotment	0.02	0.01	3 Years	Own Fund
November 24, 2005	4,000	10	10	Allotment	0.07	0.05	3 Years	Own Fund
September 30, 2006	30	10	10	Acquisition	0.00	0.00	3 Years	Own Fund
March 25, 2008	1,20,000	10	10	Allotment	2.00	1.46	3 Years	Own Fund
March 09, 2012	50,000	10	10	Acquisition	0.83	0.61	3 Years	Own Fund
May 19, 2016	3,50,000	10	---	Bonus Issue	5.83	4.27	3 Years	-----
Mr. Kanyalal Kimatram Kalani								
2002-03	1,000	10	10	Allotment	0.02	0.01	1 Years	Own Fund
November 24, 2005	4,000	10	10	Allotment	0.07	0.05	1 Years	Own Fund
March 25, 2008	1,95,000	10	10	Allotment	3.25	2.38	3 Years	Own Fund
May 28, 2010	1,40,000	10	10	Acquisition	2.33	1.71	1 Years	Own Fund
May 19, 2016	1,66,000	10	-----	Bonus Issue	2.77	2.02	3 Years	-----
	5,14,000				8.57	6.27	1 Years	
Mrs. Jagjitkaur Amardeepsingh Sethi								
March 25, 2008	1,75,000	10	10	Allotment	2.92	2.13	3 Years	Own Fund
May 19, 2016	1,61,000	10	-----	Bonus Issue	2.68	1.96	3 Years	-----
	1,89,000				3.15	2.30	1 Years	



\*None of the Shares has been pledged by our Promoters

\*\* Acquisition price excludes stamp duty

Our Promoters have confirmed to our Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds

9. 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 Promoters	No. of Shares held	Average cost of Acquisition (in ₹)
1.	Dharampal Kimatram Kalani	9,90,000	3.33
2.	Amardeepsingh Triloksingh Sethi	5,25,000	3.33
3.	Jagjitkaur Amardeepsingh Sethi	5,25,000	3.33
4.	Kanyalal Kimatram Kalani	10,20,000	3.33

#### 10. Shareholding of Promoters and Promoters Group

Following are the details of the holding of securities pre and post Issue shareholding of persons belonging to the category “Promoter and Promoter Group”:

S.No	Names	Pre IPO		Post IPO	
		Shares Held	% Shares Held	Shares Held	% Shares Held
	<b>Promoters</b>				
1	Dharampal Kimatram Kalani	9,90,000	16.50	9,90,000	12.07
2	Amardeepsingh Triloksingh Sethi	5,25,000	8.75	5,25,000	6.40
3	Kanyalal Kimatram Kalani	10,20,000	17.00	10,20,000	12.44
4	Jagjitkaur Amardeepsingh Sethi	5,25,000	8.75	5,25,000	6.40
	<b>Sub Total (A)</b>	<b>30,60,000</b>	<b>51.00</b>	<b>30,60,000</b>	<b>37.32</b>
	<b>Promoters Group</b>				
5	Hiralal Kimatram Kalani	9,90,000	16.50	9,90,000	12.07
6	Memkaur Triloksingh Sethi	3,75,000	6.25	3,75,000	4.57
7	Hirasingh Triloksingh Sethi	1,50,000	2.50	1,50,000	1.83
8	Ratansingh Triloksingh Sethi	3,75,000	6.25	3,75,000	4.57
9	Baljeet Ratansingh Sethi	5,25,000	8.75	5,25,000	6.40
10	Ramanjit Hirasingh Sethi	5,25,000	8.75	5,25,000	6.40
	<b>Sub Total (B)</b>	<b>29,40,000</b>	<b>49.00</b>	<b>29,40,000</b>	<b>35.85</b>
	<b>GRAND TOTAL (A+B)</b>	<b>60,00,000</b>	<b>100.00</b>	<b>60,00,000</b>	<b>73.17</b>

11. Shares acquired/Purchased/ Sold by the Promoter and Promoter Group, Directors and their immediate relative within six months immediately preceding the date of filing of this Prospectus except:

Date Allotment	Name of Shareholder	Party Category	Nature of Transactions	Price	Number of Shares Transacted
May 19, 2016	Dharampal Kimatram Kalani	Promoter Cum Managing Director	Allotted as Bonus in the ratio of 2:1	----	6,60,000
	Hiralal Kimatram Kalani	Promoter Group			6,60,000
	Kanyalal Kimatram Kalani	Promoter Cum Non Executive Director			6,80,000
	Memkaur Triloksingh Sethi	Promoter Group			2,50,000
	Hirasingh Triloksingh Sethi	Promoter Group			1,00,000
	Ratansingh Triloksingh Sethi	Promoter Group			2,50,000
	Amardeepsingh Triloksingh Sethi	Promoter Cum Chairman & Whole Time Director			3,50,000



	Baljeet Ratansingh Sethi	Promoter Group			3,50,000
	Jagjitkaur Amardeepsingh Sethi	Promoter Cum Non Executive Director			3,50,000
	Ramanjit Hirasingh Sethi	Promoter Group			3,50,000

\* There is no maximum and minimum price of aforesaid transaction as the shares have been issued as Bonus shares.

## 12.Details of Promoters' Contribution Locked-in for Three Years

Date of Allotment	Date when made Fully paid up	No. of shares Allotted/Acquired	Face Value	Issue Price/ Acquisition Price	Nature of Allotment	% Pre-Issue paid up capital (in shares)	% Post issue paid up capital (in shares)	Date up to which the specified securities are Lock-In
<b>Mr. Dharampal Kimatram Kalani</b>								
2002-03	2002-03	1,000	10	10	Allotment	0.02	0.01	3 Years
November 24, 2005	November 24, 2005	4,000	10	10	Allotment	0.07	0.05	3 Years
March 25, 2008	March 25, 2008	1,95,000	10	10	Allotment	3.25	2.38	3 Years
May 19, 2016	May 19, 2016	3,00,000	10	-----	Bonus Issue	5.00	3.66	3 Years
<b>SUB TOTAL</b>		<b>5,00,000</b>				<b>8.33</b>	<b>6.10</b>	
<b>Mr. Amardeepsingh Triloksingh Sethi</b>								
2002-03	2002-03	970	10	10	Allotment	0.02	0.01	3 Years
November 24, 2005	November 24, 2005	4,000	10	10	Allotment	0.07	0.05	3 Years
September 30, 2006	-----	30	10	10	Acquisition	0.00	0.00	3 Years
March 25, 2008	March 25, 2008	1,20,000	10	10	Allotment	2.00	1.46	3 Years
March 09, 2012	-----	50,000	10	10	Acquisition	0.83	0.61	3 Years
May 19, 2016	May 19, 2016	3,50,000	10	----	Bonus Issue	5.83	4.27	3 Years
<b>SUBTOTAL</b>		<b>5,25,000</b>				<b>8.75</b>	<b>6.40</b>	
<b>Mr. Kanyalal Kimatram Kalani</b>								
March 25, 2008	March 25, 2008	1,95,000	10	10	Allotment	3.25	2.38	3 Years
May 19, 2016	May 19, 2016	1,66,000	10	----	Bonus Issue	2.77	2.02	3 Years
<b>SUBTOTAL</b>		<b>3,61,000</b>				<b>6.02</b>	<b>4.40</b>	
<b>Mrs. Jagjitkaur Amardeepsingh Sethi</b>								
March 25, 2008	March 25, 2008	175000	10	10	Allotment	2.92	2.13	3 Years
May 19, 2016	May 19, 2016	161000	10	----	Bonus Issue	2.68	1.96	3 Years
<b>SUBTOTAL</b>		<b>3,36,000</b>				<b>5.60</b>	<b>4.10</b>	
<b>GRAND TOTAL</b>		<b>17,22,000</b>				<b>28.70</b>	<b>21.00</b>	

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



for computation of Minimum Promoters Contribution as per Regulation 33 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 36(a) of the SEBI ICDR Regulations i.e. for a period of three years from the date of allotment of Equity Shares in this issue.

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

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

Our Promoters, **Mr. Dharampal Kimatram Kalani**, **Mr. Amardeepsingh Triloksingh Sethi**, **Mr. Kanyalal Kimatram Kalani** and **Mrs. Jagjitkaur Amardeepsingh Sethi** have, by a written undertaking, consented to have 500000, 525000, 361000 and 336000 Equity Shares held by them respectively to be locked in as Minimum Promoters Contribution for a period of three years from the date of allotment in this Issue and will not be disposed / sold / transferred by the promoters during the period starting from the date of filing the Prospectus with NSE EMERGE till the date of commencement of lock-in period as stated in the Prospectus. The Equity Shares under the Promoters contribution will constitute 21.00% of our post-issue paid up share capital.

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

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

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

In terms of Regulation 36(b) and 37 of the SEBI ICDR Regulations, in addition to the Minimum Promoters contribution which is locked in for three years, as specified above, the entire pre-issue equity share capital constituting 42,78,000 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

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

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

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





## 12. 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 Prospectus:

### I - Our Shareholding Pattern:-

Category y	Category of shareholder	Nos. of share holder s	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	Shareholdi ng as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities*				No. of Shares Underl ying Outstan ding convert ible securiti es (includi ng Warran ts)	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 demateriali zed form
								No of Voting Rights			Total as a % of (A+B+ C)			No. (a)	As a % of total Shar es held (b)	No. (a)	As a % of total Share s held (b)	
								Class Equity Shares of Rs.10/- each^	Clas s eg: y	Tot al								
I	II	III	IV	V	VI	VII = IV+V+VI	VIII	IX				X	XI=VII+X	XII	XIII		XIV	
(A)	Promoter & Promoter Group	10	60,00,000	-	-	60,00,000	100.00	6000000	-	6000000	100.00	-	100.00	-	-	-	60,00,000	
(B)	Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C)	Non Promoter- Non Public	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C1)	Shares underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(C2)	Shares held by Emp. Trusts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	10	60,00,000	-	-	60,00,000	100.00	60,00,000	-	60,00,000	100.00	-	100.00	-	-	-	60,00,000	

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

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



**II - Shareholding pattern of the Promoter and Promoter Group**

S.No.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s held	Partl y paid-up equit y share s held	Nos. of shares underlying Deposito ry Receipts	Total nos. shares held	Sharehol ding (calculate d as per SCRR, 1957)  As a % of (A+B+C2 )	Number of Voting Rights held in each class of securities*				No. of Shares Underl ying Outsta nding convert ible securiti es (includi ng Warra nts)	Sharehold ing , as a % assuming full conversio n of convertibl e securities ( as a percentag e of diluted share capital)  as a % of	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in dematali ze d form
									No of Voting Rights			Total as a % of Total Voting rights			No. (a)	As a % of total Shar e s held (b)	No. (a)	As a % of total share s held (b)	
									Class Equity Shares of Rs.10/- each	Clas s Y	Total								
	I	II	III	IV	V	VI	VII=IV+V +VI	VIII	IX				X	XI = VII+ X	XII		XIII		XIV
(1)	Indian																		
(a)	Individuals/ Hindu undivided Family																		
	Mr. Dharampal Kimatram	AGGPK7265B	1	9,90,000	-	-	9,90,000	16.5	9,90,000	-	9,90,000	16.5	-	16.5	-	-	-	9,90,000	
	Mr. Amardeepsin gh Triloksingh Sethi	ACQPS3826C	1	5,25,000	-	-	5,25,000	8.75	5,25,000	-	5,25,000	8.75	-	8.75	-	-	-	5,25,000	



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	Mr. Kanyalal Kimatram Kalani	AGGPK7266C	1	10,20,000	-	-	10,20,000	17.00	10,20,000	-	10,20,000	17.00	-	17.00	-	-	10,20,000
	Mrs. Jagjitkaur Amardeepsingh Sethi	BFYPS8007M	1	5,25,000	-	-	5,25,000	8.75	5,25,000	-	5,25,000	8.75	-	8.75	-	-	5,25,000
	Mr. Hirallal Kimatram Kalani	AGCPK5448G	1	9,90,000	-	-	9,90,000	16.50	9,90,000	-	9,90,000	16.50	-	16.50	-	-	9,90,000
	Mrs. Memkaur Triloksingh Sethi	AEUPS0305Q	1	3,75,000	-	-	3,75,000	6.25	3,75,000	-	3,75,000	6.25	-	6.25	-	-	3,75,000
	Mr. Hirasingh Triloksingh Sethi	ACQPS3825B	1	1,50,000	-	-	1,50,000	2.50	1,50,000	-	1,50,000	2.50	-	2.50	-	-	1,50,000
	Mr. Ratansingh Triloksingh Sethi	ACQPS3824A	1	3,75,000	-	-	3,75,000	6.25	3,75,000	-	3,75,000	6.25	-	6.25	-	-	3,75,000
	Mr. Baljeet Ratansingh Sethi	AEUES0306P	1	5,25,000	-	-	5,25,000	8.75	5,25,000	-	5,25,000	8.75	-	8.75	-	-	5,25,000
	Mr. Ramanjit Hirasingh Sethi	AVBPS3356F	1	5,25,000	-	-	5,25,000	8.75	5,25,000	-	5,25,000	8.75	-	8.75	-	-	5,25,000
(b)	Central Government/ State Government	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Any Other	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-



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	Body Corporate	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (A)(1)</b>			<b>60,00,000</b>	-	-	<b>60,00,000</b>	<b>100.00</b>	<b>60,00,000</b>	-	<b>60,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>60,00,000</b>
(2)	Foreign	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(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 Promoter and Promoter</b>		<b>10</b>	<b>60,00,000</b>	-	-	<b>60,00,000</b>	<b>100.00</b>	<b>60,00,000</b>	-	<b>60,00,000</b>	<b>100.00</b>	-	<b>100.00</b>	-	-	<b>60,00,000</b>

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



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

S.No.	Category & Name of the Shareholders	PAN	No. of share holders	No. of fully paid up equity share s 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.(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.10/- each	CI as a % of Total Voting rights	Total								
	I	II	III	IV	V	VI	VII=IV +V+VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Institutions																		
(a)	Mutual Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(b)	Venture Capital Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(c)	Alternate Investment Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(d)	Foreign Venture Capital Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(e)	Foreign Portfolio Investors	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(f)	Financial Institutions/ Banks	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(g)	Insurance Companies	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(h)	Provident Funds/ Pension Funds	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	



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(i)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(1)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(2)	<b>Central Government/ State Government(s)/ President of India</b>	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(2)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(3)	<b>Non-institutions</b>																
(a)	Individuals	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	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.	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b)	NBFCs registered with RBI	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(e)	Any Other (specify)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub-Total (B)(3)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)</b>	-	<b>0</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-





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

S.No.	Category & Name of the Shareholders	PAN	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+C 2)	Number of Voting Rights held in each class of securities				No. of Shares Underlying Outstanding convertible securities (including Warra	Total Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share	Number of Locked in shares		Number of Shares pledged or otherwise		Number of equity shares held in Share dematerialized form (Not applicable)
									No of Voting Rights			Total as a % of Total Voting rights			No.	As a % of total Shares held	No. (not applicable)	As a % of total shares held (not applicable)	
									Class Equity Shares of Rs.10/-	Class Y	Total								
	I	II	III	IV	V	VI	VII=IV+V+VI	VIII	IX				X	XI= VII+ X	XII	XIII		XIV	
(1)	Custodian/DR Holder																		
(a)	Name of DR Holder (if available)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (c ) (1)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Sub Total (C ) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Total Non- Promoter Non-Public shareholding (C )= (C )(1)+ (C ) (2)	-	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

We have received ISIN INE448V01019 from CDSL and NSDL

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.



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

As on the date of the Prospectus, our Company has 10 (Ten) shareholders.

a) Particulars of the ten shareholders as on the date of filing of this Prospectus are as follows:

S.No.	Names	Shares Held (Face Value of Rs. 10 each)	% Pre Issue paid up Capital (In Shares)
1.	Mr. Kanyalal Kimatram Kalani	10,20,000	17.00
2.	Mr. Dharampal Kimatram Kalani	9,90,000	16.50
3.	Mr. Hiralal Kimatram Kalani	9,90,000	16.50
4.	Mr. Amardeepsingh Triloksingh Sethi	5,25,000	8.75
5.	Mrs. Jagjitkaur Amardeepsingh Sethi	5,25,000	8.75
6.	Mr. Baljeet Ratansingh Sethi	5,25,000	8.75
7.	Mr. Ramanjit Hirasingh Sethi	5,25,000	8.75
8.	Mrs. Memkaur Triloksingh Sethi	3,75,000	6.25
9.	Mr. Ratansingh Triloksingh Sethi	3,75,000	6.25
10.	Mr. Hirasingh Triloksingh Sethi	1,50,000	2.50
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

b) Particulars of the ten shareholders ten days prior to the date of filing of this Prospectus are as follows:

S. No.	Names	Shares Held ( Face Value of Rs. 10/- each)	% Pre Issue paid up Capital
1.	Mr. Kanyalal Kimatram Kalani	10,20,000	17.00
2.	Mr. Dharampal Kimatram Kalani	9,90,000	16.50
3.	Mr. Hiralal Kimatram Kalani	9,90,000	16.50
4.	Mr. Amardeepsingh Triloksingh Sethi	5,25,000	8.75
5.	Mrs. Jagjitkaur Amardeepsingh Sethi	5,25,000	8.75
6.	Mr. Baljeet Ratansingh Sethi	5,25,000	8.75
7.	Mr. Ramanjit Hirasingh Sethi	5,25,000	8.75
8.	Mrs. Memkaur Triloksingh Sethi	3,75,000	6.25
9.	Mr. Ratansingh Triloksingh Sethi	3,75,000	6.25
10.	Mr. Hirasingh Triloksingh Sethi	1,50,000	2.50
	<b>Total</b>	<b>60,00,000</b>	<b>100.00</b>

c) Particulars of the top ten shareholders two years prior to the date of filing of this Prospectus are as follows:

S. No.	Names	Shares Held ( Face Value of Rs. 10/- each)	% of Paid Up Equity Shares as on date 2 years prior to the date of filing of the Prospectus*
1.	Mr. Kanyalal Kimatram Kalani	3,40,000	17.00
2.	Mr. Dharampal Kimatram Kalani	3,30,000	16.50
3.	Mr. Hiralal Kimatram Kalani	3,30,000	16.50
4.	Mr. Amardeepsingh Triloksingh Sethi	1,75,000	8.75
5.	Mrs. Jagjitkaur Amardeepsingh Sethi	1,75,000	8.75
6.	Mr. Baljeet Ratansingh Sethi	1,75,000	8.75
7.	Mr. Ramanjit Hirasingh Sethi	1,75,000	8.75
8.	Mrs. Memkaur Triloksingh Sethi	1,25,000	6.25
9.	Mr. Ratansingh Triloksingh Sethi	1,25,000	6.25



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10	Mr. Hirasingh Triloksingh Sethi	50,000	2.50
	<b>Total</b>	<b>20,00,000</b>	<b>100.00</b>

\*Details of shares held on June 20, 2014 and Percentage held has been calculated based on the paid up capital of our Company as on June 20, 2014.

14. As on the date of Prospectus, there are no public shareholders holding more than 1% of the pre-Issue share capital of our Company.
15. Except as provided below, there has been no subscription to or sale or purchase of the securities of our Company within three years preceding the date of filing of this Prospectus by our Promoters or Directors or Promoter Group which in aggregate equals to or is greater than 1% of the pre-Issue share capital of our Company.

S. No.	Name of Shareholder	Date of Transaction	Promoter/ Promoter Group/ Director	Number of Equity Shares Subscribed to/ Acquired	Number of Equity Shares sold	Subscribed/ Acquired/ Transferred
1.	Mr. Dharampal Kimatram Kalani	May 19, 2016	Promoter Cum Managing Director	3,30,000	-	Subscribed (Bonus)
2.	Mr. Amardeepsingh Triloksingh Sethi		Promoter Cum Chairman & Whole Time Director	1,75,000	-	Subscribed (Bonus)
3.	Mr. Kanyalal Kimatram Kalani		Promoter cum Non Executive Director	3,40,000	-	Subscribed (Bonus)
4.	Mrs. Jagjitkaur Amardeepsingh Sethi		Promoter cum Non Executive Director	1,75,000	-	Subscribed (Bonus)
5.	Mr. Hiralal Kimatram Kalani		Promoter Group	3,30,000	-	Subscribed (Bonus)
6.	Mrs. Memkaur Triloksingh Sethi		Promoter Group	1,25,000	-	Subscribed (Bonus)
7.	Mr. Hirasingh Triloksingh Sethi		Promoter Group	50,000	-	Subscribed (Bonus)
8.	Mr. Ratansingh Triloksingh Sethi		Promoter Group	1,25,000	-	Subscribed (Bonus)
9.	Mr. Baljeet Ratansingh Sethi		Promoter Group	1,75,000	-	Subscribed (Bonus)
10.	Mr. Ramanjit Hirasingh Sethi		Promoter Group	1,75,000	-	Subscribed (Bonus)

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

S.No.	Name	Designation	No. of Equity Shares held
1.	Mr. Dharampal Kimatram Kalani	Managing Director	9,90,000
2.	Mr. Amardeepsingh Triloksingh Sethi	Chairman & Whole Time Director	5,25,000

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 Prospectus.
18. Neither, we nor our Promoters, 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.



19. As on the date of filing of this Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.
20. As on the date of this Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up.
21. Our Company has not raised any bridge loan against the proceeds of the Issue.
22. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid up equity shares
23. As on the date of this Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
24. The Lead Manager i.e. Hem Securities Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of Prospectus.
25. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.
26. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
27. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
28. An over-subscription to the extent of 10% 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 10% 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.
29. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the LM and Designated Stock Exchange i.e. NSE. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines.
30. In case of over-subscription in all categories the allocation in the issue shall be as per the requirements of Regulation 43 (4) of SEBI (ICDR) Regulations, 2009 and its amendments from time to time.
31. The unsubscribed portion in any reserved category (if any) may be added to any other reserved category.
32. The unsubscribed portion if any, after such inter se adjustments among the reserved categories shall be added back to the net offer to the public portion.
33. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
34. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.



35. As on the date of this 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.
36. There are no Equity Shares against which depository receipts have been issued.
37. Other than the Equity Shares, there is no other class of securities issued by our Company.
38. We have 10 (Ten) shareholders as on the date of filing of the Prospectus.
39. There are no safety net arrangements for this public issue.
40. As per RBI regulations, OCBs are not allowed to participate in this issue.
41. Our Promoters and Promoter Group will not participate in this Issue.
42. This Issue is being made through Fixed Price method.
43. Except as stated in this Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.
44. No person connected with the Offer 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.
45. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering this 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 22,00,000 Equity Shares of our Company at an Issue Price of ₹ 35/- per Equity Share. We intend to utilize the proceeds of the Issue to meet the following objects:

1. Repayment/Prepayment of Secured and Unsecured Loan
2. To Meet the Issue Expenses
3. General Corporate Purpose

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the SME Platform of NSE ("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 primarily in the business of manufacture of spirits. The main objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

**Requirements of funds:**

The following table summarizes the requirement of funds:

Sr. No.	Particulars	Amount ( ₹in lacs)
1.	Repayment/Prepayment of Secured and Unsecured Loan	589.71
2.	Public Issue Expenses	40.00
3.	General Corporate Purpose	140.29
<b>Gross Issue Proceeds</b>		<b>770.00</b>
<b>Less: Issue Expenses</b>		<b>40.00</b>
<b>Net Issue Proceeds</b>		<b>730.00</b>

**Utilization of Net Issue Proceeds:**

The Net Issue Proceeds will be utilized for following purpose:

Sr. No.	Particulars	Amount ( ₹in lacs)
1.	Repayment/Prepayment of Secured and Unsecured Loan	589.71
2.	General Corporate Purpose	140.29
<b>Total</b>		<b>730.00</b>

**Means of Finance:**

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

Particulars	Amount ( ₹in lacs)
Net Issue Proceeds	730.00
<b>Total</b>	<b>730.00</b>

*The entire fund requirements are to be funded from the proceeds of the Issue and internal accruals. Accordingly, there is no requirement to make firm arrangements of finance under Regulation 4(2) (g) of the SEBI ICDR Regulations through verifiable means towards at least 75% of the stated means of finance, excluding the amounts to be raised through the proposed Issue or through existing identifiable internal accruals. In case of a shortfall in the Issue Proceeds, our Company may explore a range of options including utilizing our internal accruals and /or raising debt.*





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

In case of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities including funding existing objects, if required. In case of delays in raising funds from the Issue, our Company may deploy certain amounts towards any of the above mentioned Objects through a combination of internal accruals or unsecured loans.

The fund requirement as stated in the table above is based on our internal management estimates. In view of the dynamic nature of the sector and specifically that of our business, we may have to revise our expenditure and fund requirements as a result of variations in cost estimates, exchange rate fluctuations and external factors which may not be within the control of our management. This may entail rescheduling and revising the planned expenditures and fund requirements and increasing or decreasing expenditures for a particular purpose at the discretion of our management, within the overall objects.

Except as disclosed in this section, no part of the proceeds of this issue will be paid as consideration to our promoters, directors, key managerial employees or group companies promoted by our promoters.

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

## **Details of Use of the Proceeds**

### **1. Repayment/Prepayment of Secured and Unsecured Loans:-**

Due to expansion in our business activities in the recent past, we had incurred certain indebtedness in the form of secured and unsecured loans, which we have utilized in the general business activities of the Company.

Following are the details of secured loan availed by our Company, which we intend to repay out of the Issue Proceeds:

Name of the Lender	Date of Loan Agreement	Amount (₹ in lacs)			Rate of Interest	Purpose#	Repayment Schedule	Pre-payment clause^
		Sanctioned	Outstanding as on May 31, 2016*	To be Repaid from the Net Proceeds				
The Saraswat Co-operative Bank Limited	February 17, 2014	925.00	697.57	166.00	15%	For setting up of Plant and Machinery for automatic distillation Unit	59 Monthly installment of ₹ 15.40 Lacs each and last installment of ₹ 16.40 lacs	Charges @ 2% of the outstanding amount at the time of prepayment if the prepayment is not from the cash generated from business or from own funds.

\* As certified by Statutory Auditors of the Company M/s. Natesh & Associates., Chartered Accountants vide their certificate dated June 23, 2016.

# Our Statutory Auditor, Natesh & Associates, Chartered Accountants through its certificate dated June 23, 2016, has further confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

^ Payment of pre-payment penalty, if any, shall be paid from the internal accruals of our Company.



Following are the details of Unsecured loan availed by our Company, which we intend to repay out of the Issue Proceeds:

(Rs. In Lacs)

Name of the Lender	Memorandum of Understanding	Amount (₹ in lacs)			Rate of Interest	Purpose#	Repayment terms
		Outstanding as on March 31, 2016	Outstanding as on May 31, 2016*	To be Repaid from the Net Proceeds			
Mr. Dharampal Kimatram Kalani	March 31, 2016	91.07	91.07	91.07	NIL	For meeting capital expenditure and long term work capital requirement	On demand
Mr. Hiralal Kimatram Kalani	March 31, 2016	87.69	87.69	87.69	NIL		On demand
Mr. Kanyalal Kimatram Kalani	March 31, 2016	69.69	69.69	69.69	NIL		On demand
Mr. Amardeepsingh Triloksingh Sethi	March 31, 2016	31.15	31.15	31.15	NIL		On demand
Mrs. Baljeetkaur Ratansingh Sethi	March 31, 2016	10.00	10.00	10.00	NIL		On demand
Mr. Hirasingh Triloksingh Sethi	March 31, 2016	10.10	10.10	10.10	NIL		On demand
Mr. Ratansingh Triloksingh Sethi	March 31, 2016	124.01	124.01	124.01	NIL		On demand

\* As certified by Statutory Auditors of the Company M/s. Natesh & Associates., Chartered Accountants vide their certificate dated June 23, 2016, 2016.

# Our Statutory Auditor, M/s. Natesh & Associates, Chartered Accountants through its certificate dated June 23, 2016, has further confirmed that these borrowings have been utilized for the purposes for which they were availed, as provided in the relevant borrowing documents.

We may repay the above loans when due, before we obtain proceeds from the Issue, through other means and source of financing, including bridge loan or other financial arrangements, which then will be repaid from the proceeds of the Issue. We believe our repayment of interest bearing debt will help us to reduce our costs towards 'Finance Cost' and will improve our net earnings in the future. Further, it will help us to improve our ability to leverage equity for our future needs towards any of our existing operations and towards further expansion.

For further details, please see the chapter titled "**Statement of Financial Indebtedness**" beginning on page 201 of the Prospectus

## **2. General Corporate Purpose:-**

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹ 140.29 Lacs towards general corporate purposes, subject to such utilization not exceeding 25% of the Net Proceeds, in compliance with the SEBI Regulations. The general corporate purposes for which our Company proposes to utilize Net Proceeds include meeting exigencies faced, and expenses incurred, by our Company in the ordinary course of business. In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved periodically by the Board or a duly constituted committee thereof. Our Company's management, in accordance with the policies of the Board, shall have flexibility in utilizing surplus amounts, if any.

**3. Public Issue Expenses:-**

The estimated Issue related expenses includes Issue Management Fee, Underwriting and Selling Commissions, Printing and Distribution Expenses, Legal Fee, Advertisement Expenses, Registrar's Fees, Depository Fee and Listing Fee. The total expenses for this Issue are estimated to be approximately ₹ 40.00 Lacs (inclusive of all applicable taxes) which is 5.19% of the Issue Size.

All the Issue related expenses shall be met out of the proceeds of the Issue and the break-up of the same is as follows:

Activity	(Rs .in Lacs)
Payment to Merchant Banker including underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Registrars, etc*	33.00
Printing and Stationery and postage expenses	2.00
Advertising and Marketing expenses	2.00
Statutory expenses	3.00
<b>Total Estimated Issue Expenses</b>	<b>40.00</b>

\* Included commission/Processing fees for SCSB's, Brokerage and Selling Commission for Registrar Broker, RTA's and CDP's

As on date of the Prospectus, our Company has incurred Rs. 12.76 Lacs towards Issue Expenses.

**Schedule of Implementation and Deployment of Funds**

As estimated by our management, the net proceeds from the Issue shall be utilized as follows:

Particulars	Amount to be deployed in the year 2016-17
Repayment of Secured and Unsecured Loan	589.71
Public Issue Expenses	40.00
General Corporate Purpose	140.29

(₹ in lacs)

**Funds Deployed and Source of Funds Deployed**

As on date of Prospectus the following funds have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Issue Expenses	12.76
<b>Total</b>	<b>12.76</b>

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

As on date of the Prospectus the following source of funds that have been deployed for the proposed object of the Issue:

Particulars	Amt (₹ in Lacs)
Internal Accruals	12.76
<b>Total</b>	<b>12.76</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 variations in interest rate structures, changes in our financial condition



and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

### **Shortfall of Funds**

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

### **Bridge Financing Facilities**

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

### **Monitoring Utilization of Funds**

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

### **Interim Use of Proceeds**

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

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

### **Variation in Objects**

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Issue without our Company being authorised 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 is no material existing or anticipated transactions with our Promoter, our Directors, our Company's key Managerial personnel and Group Entities, in relation to the utilisation of the Net Proceeds. No part of the Net Proceeds will be paid by us as consideration to our Promoter, our Directors or key managerial personnel or our Group Entities, except in the normal course of business and in compliance with the applicable laws.

**BASIC TERMS OF ISSUE****Authority for the Present Issue**

This Issue in terms of the Prospectus has been proposed and authorized by the Board of Directors pursuant to a resolution dated June 08, 2016 and by the shareholders pursuant to a special resolution in an Extra Ordinary General Meeting held on June 13, 2016 under section 62 (1) (c) of the Companies Act, 2013.

**Terms of the Issue**

The Equity Shares, now being offered, are subject to the terms and conditions of the Draft Prospectus, Prospectus, Application form, Confirmation of Allocation Note (“CAN”), the Memorandum and Articles of Association of our Company, the guidelines for listing of securities issued by the Government of India and SEBI (ICDR) Regulations, 2009, the Depositories Act, Stock Exchange, RBI, RoC and/or other authorities as in force on the date of the Issue and to the extent applicable.

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

<b>Face Value</b>	Each Equity Share shall have the face value of ₹ 10.00 each.
<b>Issue Price</b>	Each Equity Share is being offered at a price of ₹ 35 /- each and is 3.5 times of Face Value.
<b>Market Lot and Trading Lot</b>	The Market lot and Trading lot for the Equity Share is 4000 (Four Thousand) and the multiple of 4000; subject to a minimum allotment of 4000 Equity Shares to the successful applicants.
<b>Terms of Payment</b>	100% of the issue price of ₹ 35/- each shall be payable on Application. For more details please refer “ <i>Terms of the Issue</i> ” beginning to page 247 of the Prospectus.
<b>Ranking of the Equity Shares</b>	The Equity Shares being offered pursuant to this Issue shall be subject to the provisions of Companies Act, Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects including dividends with the existing Equity Shares of the Company. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by the Company after the date of Allotment. For further details, please see “ <i>Main Provisions of Articles of Association</i> ” on page 297 of the Prospectus.

**MINIMUM SUBSCRIPTION**

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

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

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

For further details, please refer to section titled “*Terms of the Issue*” beginning on page 247 of the Prospectus.

**BASIS FOR ISSUE PRICE**

Investors should read the following summary with the section titled “**Risk Factors**”, the details about our Company under the section titled “**Our Business**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 15, page 104 and page 166 respectively of the Prospectus. The trading price of the Equity Shares of our Company could decline due to these risks and the investor may lose all or part of his investment.

The Issue Price has been determined by the Company in consultation with the LM on the basis of the key business strengths of our Company. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ 35/- which is 3.5 times of the face value.

**QUALITATIVE FACTORS**

- Strategic Location of Manufacturing Unit / Location Advantage
- Experienced Management Team
- Quality Assurance and Standards
- Well Established Manufacturing facilities
- Existing relationship with suppliers

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 104 of the Prospectus.

**QUANTITATIVE FACTORS**

The information presented below relating to Company is based on restated financial Statement of the Company for the financial year ended 2014, 2015 and 2016 prepared in accordance with Indian GAAP. Some of the quantitative factors, which form the basis for computing the price, are as follows:

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

Period	Basic & Diluted (₹)	Weights
FY 2013-14	2.66	1
FY 2014-15	(4.09)	2
FY 2015-16	9.56	3
<b>Weighted Average</b>	<b>3.86*</b>	

\* Weighted average is calculation considering basic and diluted earnings per shares for three year including negative earnings per share in the 2014-15.

Notes:

- i. The figures disclosed above are based on the restated financial statements of the Company.
- ii. The face value of each Equity Share is ₹ 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.

**2. Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 35/- :**

S. No	Particulars	P/E
1	P/E ratio based on the Basic & Diluted EPS, as restated for FY 2015-16	3.66
2	P/E ratio based on the Weighted Average EPS, as restated for FY 2015-16	9.06



**Peer Group P/ E\***

S. No	Particulars	P/E
1	Highest (United Spirits Limited)	99.0
2	Lowest (Pincon Spirits Limited)	10.1
	<b>Industry Composite</b>	<b>67.1</b>

\*Source: Capital Market Vol. XXXI/08 dated June 6<sup>th</sup> to June 19<sup>th</sup>, 2016 / Breweries & Distilleries

**3. Return on Net worth (RoNW)\***

S. No	Period	RONW (%)	Weights
1.	FY 2013-14	13.33%	1
2.	FY 2014-15	-25.74%	2
3.	FY 2015-16	37.60%	3
	<b>Weighted Average</b>	<b>12.44% ^</b>	

\*Restated Profit after tax/Net Worth

^ Weighted average is calculation considering return on net worth for three year including negative earnings per share in the 2014-15.

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

- (a) Based on Basic and Diluted EPS, as restated of FY 2015-16 of ₹ 9.56 at the Issue Price of ₹ 35/-:
- 34.16% on the restated financial statements.
- (b) Based on Weighted Average Basic and Diluted EPS, as adjusted of ₹ 3.86 at the Issue Price of ₹ 35/- :
- 13.80% on the restated financial statements.

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

Sr. No.	As at	NAV Standalone (₹)
1.	March 31, 2014	59.88
2.	March 31, 2015	47.62
3.	March 31, 2016	76.31
4.	NAV after Issue	28.00
	<b>Issue Price</b>	<b>35.00</b>

**6. Comparison of Accounting Ratios with Industry Peers<sup>1</sup>**

S. No.	Name of Company	Results Type	Face Value (₹)	EPS (₹)	PE	RoNW (%)	NAV per Share (₹)
1.	Globus Spirit Limited	Standalone	10	4.40	14.4	1.7	127.6
2.	Som Distilleries Limited	Standalone	10	4.90	33.9	14.3	46.00
3.	Aurangabad Distillery Limited <sup>2</sup>	Standalone	10	9.56 <sup>3</sup>	3.66 <sup>4</sup>	37.60	76.31

<sup>1</sup> \*Source: Capital Market Vol. XXXI/08 dated June 6<sup>th</sup> to June 19<sup>th</sup>, 2016 / Breweries & Distilleries

<sup>2</sup> Based on March 31, 2016 restated financial statements

<sup>3</sup> Basic & Diluted Earnings per share (EPS), as adjusted

<sup>4</sup> Price Earning (P/E) Ratio in relation to the Issue Price of ₹ 35/-





*Considering the nature of business of the company the peers are not strictly comparable, however same have been included for board comparison.*

7. The face value of our shares is ₹ 10.00 per share and the Issue Price is of ₹ 35/- per share is 3.5 times of the face value.
8. Our Company in consultation with the Lead Manager believes that the Issue Price of ₹ 35/- per share for the Public Issue is justified in view of the above parameters. The investors may also want to peruse the risk factors and financials of the Company including important profitability and return ratios, as set out in the Auditors' Report in the offer Document to have more informed view about the investment.

Investors should read the above mentioned information along with section titled ***"Our Business", "Risk Factors" and "Financial Information of the Company"*** beginning on page 104, 15 and 166 respectively including important profitability and return ratios, as set out in ***"Annexure Q"*** to the Financial Information of the Company on page 193 of the Prospectus to have a more informed view.



**STATEMENT OF TAX BENEFITS**

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO AURANGABAD DISTILLERY LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA**

To,  
The Board of Directors,  
Aurangabad Distillery Limited,

Dear Sirs,

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

We hereby report that the enclosed Annexure prepared by the Company, states the possible special tax benefits available to the Company and to its Shareholders under the Income Tax Act, 1961 and Income Tax Rules, 1962 (together "tax laws") presently in force in India. These benefits are dependent on the Company or its Shareholders, as applicable, fulfilling the conditions prescribed under the relevant provisions of the applicable tax laws. Hence, the ability of the Company or its Shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives, the Company or its Shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive nor are they conclusive. The contents stated in the annexure are based on the information, explanations and representations obtained from the Company. This statement is only intended to provide general information and to guide the investors and is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ 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.

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

- i. The Company or its shareholders will continue to obtain these benefits in future; or
- ii. The conditions prescribed for availing of these benefits have been/ would be met with.

The contents of this Annexure are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and interpretations of the current tax laws. Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the views of such changes.

This report is intended solely for your information and for inclusion in the Offer Document in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

**For Natesh & Associates**  
**Chartered Accountants**  
**Firm Registration No. 106957W**

**R. Natesh**  
**Proprietor**  
**Membership No. 036481**  
**Date: 23.06.2016**  
**Place: Nasik**



**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India.

**I. Benefits available to the Company under the Income Tax Act, 1961**

**(i) Special Tax Benefits**

There are no special tax benefits available to the Company

**(ii) General Tax Benefits**

The Income Tax Act, 1961 presently in force in India, make available the following general tax benefits to companies and to their shareholders. Several of these benefits are dependent on the companies or their shareholders fulfilling the conditions prescribed under the relevant provisions of the statute.

The Company will be entitled to deduction under the sections mentioned hereunder from its total income chargeable to Income Tax.

**(a) Business Income**

1. The Company is entitled to claim depreciation on specified tangible and intangible assets owned by it and used for the purpose of its business as per provisions of Section 32 of the Income Tax Act, 1961.
2. Business losses, if any, for an assessment year can be carried forward and set off against business profits for 8 subsequent years. Unabsorbed depreciation, if any, for an assessment year can be carried forward and set off against any source of income in subsequent years as per provisions of Section 32 of the Act.
3. As per the provisions of section 32(1)(iia) of the Act, The company is entitled to claim additional depreciation of 20% of the actual cost of any new machinery or plant which has been acquired and installed after 31st March, 2005 subject to fulfilment of conditions prescribed therein.
4. As per provisions of Section 35 (1) (ii) and (iii) of the Act, in respect of any sum paid to a scientific research association which has as its object the undertaking of scientific research, or to any approved university, College or other institution to be used for scientific research or for research in social sciences or statistical scientific research to the extent of a sum equal to one and one fourth times the sum so paid. Under Section 35 (1) (iia) of the Act, any sum paid to a company, which is registered in India and which has as its main object the scientific research and development, and being approved by the prescribed authority and such other conditions as may be prescribed, shall also qualify for a deduction of one and three fourth times the amount so paid.
5. As per provisions of Section 35(2AA) of the Act, any contribution made Notified Institutions i.e. National Laboratory, University, Indian Institute of Technology, specified persons as approved by the prescribed authority, is available to the extent of two times of such payment made.
6. As per the provisions of Section 35D of the Act, any specified preliminary expenditure incurred, after 31 March 1998 by an Indian company before the commencement of its business or after commencement of its business, in connection with the extension of an undertaking or setting up a new unit, shall be allowed a deduction of an amount equivalent to one-fifth of such expenditure for each of the five successive financial years beginning with the financial year in which the extension of the undertaking is completed or the new unit commences production or operation. However, any expenditure in excess of 5% of the cost of the project or the capital employed in the business of the Company, shall be ignored for the purpose of computing the deduction allowable under section 35D of the Act.



7. As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after 1 April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
8. As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal installments for each of the four immediately succeeding financial years.
9. As per the provisions of Section 35CCD of the Act, if a Company incurs any expenditure (not being in the nature of cost of any land or building) on any skill development project notified by the Central Board of Direct Taxes in this behalf in accordance with the guidelines as may be prescribed, then, the Company shall be allowed a deduction of sum equal to one and one-half times of such expenditure.
10. As per the newly inserted explanation to Section 37 of the Act, any expenditure incurred by the Company on the activities relating to corporate social responsibility ('CSR') referred to in section 135 of the Companies Act, 2013 shall not be deemed to be an expenditure incurred by the Company for the purpose of the business or profession. However, CSR expenditure which is of the nature described in provisions of section 30 to section 36 of the Act shall be allowed as deduction under respective sections, subject to fulfilment of conditions, if any, specified therein.
11. As per the provisions of Section 72(1) of the Act, if the net result of the computation of income from business is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against business income.
12. As per the provisions of Section 72A of the Act, pursuant to business re-organizations, such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company subject to fulfilment of prescribed conditions.

**(b) MAT Credit**

1. The amount of tax paid under section 115JB by the Company for any assessment year beginning on or after 1st April, 2006 will be available as credit to the extent specified in section 115JAA against normal income-tax payable in subsequent assessment years.

Minimum Alternative Tax as follows:-

Book Profit	A.Y. 2016-17		
	Tax	Surcharge	Cess
If Book Profits are less than or equal to 1 Cr	18.5%	--	3%
If Book Profits are Greater than 1 Crore but do not exceed 10 Crore	18.5%	7%	3%
If Book Profits are Greater than to 10 Crore	18.5%	12%	3%

2. In accordance with the provisions of Section 115JAA, from Assessment Year 2010-11 the MAT credit is available for ten years succeeding the Assessment Year in which MAT credit becomes allowable.
3. MAT credit shall be allowed for any Assessment Year to the extent of difference between the tax payable as per the normal provisions of the Act and the tax paid under Section 115JB for that assessment year.



**(c) Capital Gains**

**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the transfer of which are termed as long – term capital gains ('LTCG'). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets and twenty four month in case of assets being shares of unlisted Company.
2. Short Term Capital Gains ('STCG') means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
3. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less and twenty four month in case of assets being shares of unlisted Company.
4. Capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short–term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets.
5. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than twenty four months.
6. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
7. Income by way of LTCG exempt under Section 10(38) of the Act is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
8. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
9. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate of 30% (plus applicable surcharge plus education cess plus higher education cess) in case of a company. No deduction under Chapter VIA is allowed from such income.
10. As per the provisions of section 112 of the Act, long-term capital gains to the extent not exempt under Section 10(38) of the Act would be subject to tax at the rate of 20% (plus applicable surcharge plus education cess plus higher education cess with indexation benefits. However, as per the proviso to Section 112 of the Act, if the tax on long-term capital gains is resulting from transfer of listed securities or units or zero coupon bonds, then long term capital gain will be chargeable to tax at the rate lower of the following: - a. 20% (plus applicable surcharge plus education cess plus higher education cess of the capital gains as computed after indexation of the cost; or b. 10% (plus applicable surcharge plus education cess plus higher education cess) of the capital gains as computed without indexation. However, Finance Act, 2014 has amended the provisions of section 112



allowing the concessional rate of tax of ten per cent on long term capital gain to listed securities (other than unit) and zero coupon bonds.

11. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.
12. As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner:
  - a. where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.
  - b. where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
13. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
14. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

**(ii) Exemption of capital gains from income-tax**

1. As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land & building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/ setting up another industrial undertaking| subject to lower of Capital Gain or the Cost of acquisition of new land and building.
2. In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - a. National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - b. Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 50,00,000 during any financial year as well as capital gain arising from transfer of one or more original assets.

Where the long term specified assets is transferred or converted into money at any time with in a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

**(d) Securities Transaction Tax (STT)**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction



against such Business Income. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.

**(e) Dividends**

1. U/s 10(34) read with section 115-O of the Act, dividend income (whether interim or final) in the hands of the company as distributed or paid by any other domestic on or after April 1, 2004 is completely exempt from tax in the hands of the company.
2. The domestic company distributing dividends will be liable to pay dividend distribution tax at the applicable rate on net basis on the amount of dividend payable applicable surcharge and education cess and secondary and higher education cess on the amount of dividend distribution tax and surcharge thereon)
3. Further w.e.f 1st October 2014, Finance Act 2014, has amended section 115-O in order to provide that for the purpose of determining the tax on distributed profits payable in accordance with the section 115-O, any amount which is declared, distributed or paid by any domestic Company out of current or accumulated profit on or after 1 April 2003 is to be reduced by any amount of dividend as received by the company from its subsidiary or from foreign companies during the financial year, shall be increased to such amount as would, after reduction of the tax on such increased amount at the rate of 15%, be equal to the net distributed profits.
4. Therefore, the amount of distributable income and the dividends which are actually received by the unit holder of mutual fund or shareholders of the domestic company need to be grossed up for the purpose of computing the additional tax.
5. Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
6. As per section 10(35) of the Act, the following income will be exempt from tax in the hands of the Company:
  - (i) Income received in respect of the units of a Mutual Fund specified under section 10(23D) (other than income arising from transfer of such units); or
  - (ii) Income received in respect of units from the Administrator of the specified undertaking; or
  - (iii) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified company or of a mutual fund, as the case may be.

For this purpose (i) —Administratorl means the Administrator as referred to in section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) —Specified Companyl means a company as referred to in section 2(h) of the said Act.

7. As per the provisions of section 115BBD of the Act, dividend Received by an Indian company from a Specified Foreign Company (in which it has shareholding of 26% or more) would be taxable at the Concessional rate of 15% on gross basis (excluding surcharge and Education cess).
8. For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable. By a domestic company, the dividend received from a foreign Subsidiary on which income-tax has been paid by the Domestic Company under section 115BBD of the Act shall be reduced.
9. As per Section 80JJAA, where the gross total income of an assessee includes any profit and gain derived from manufacture of goods in a factory, there shall, subject to the condition specified in subsection (2), be allowed a deduction of an amount equal to thirty per cent of additional wages paid to the new regular workmen employed by the assessee in such factory, in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment in provided.





**(f) Tax Treaty Benefits**

As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries

**(g) Buy Back of Shares**

As per section 115QA of the Act, an Indian unlisted company will have to pay 20% tax on distributed income on buyback of shares. Distributed income has been defined to mean consideration paid by the Indian unlisted company for purchase of its own shares as reduced by the amount which was received by the Indian unlisted company at the time of issue of such shares. The said provision has come into effect from 1 June 2013.

**(h) Other Provisions**

1. As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.
2. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

**II. Benefits available to Resident Shareholders under the Income Tax Act, 1961**

**(i) Special Tax Benefits**

There are no special tax benefits available to the shareholders of the Company.

**(ii) General Tax Benefits**

• **Business Income**

As per the provisions of Section 36 (1) (xv) of the Act, the amount of Securities Transaction Tax paid by an assessee in respect of taxable securities transactions offered to tax as "Profits and gains of Business or profession" shall be allowable as a deduction against such Business Income.

• **Dividends**

As per the provisions of section 10(34) read with section 115-O of the Act, dividend (whether interim or final) declared, distributed or paid by the domestic company on or after 1st April, 2004 is completely exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities or units, where such securities or units are bought or acquired within a period of three months prior to the record date and such securities or units are sold or transferred within three or nine months respectively from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt.

• **Capital Gains**

**(i) Computation of Capital Gains**

1. Capital assets are to be categorized into short - term capital assets and long – term capital assets based on the period of holding. All capital assets, being shares held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under section 10(23D) of the Act or a zero coupon bond, held by an assessee for more than twelve months are considered to be long – term capital assets, capital gains arising from the



transfer of which are termed as long – term capital gains (LTCG<sup>4</sup>). In respect of any other capital assets, the holding period should exceed thirty – six months to be considered as long – term capital assets and twenty four month in case of assets being shares of unlisted Company.

1. Short Term Capital Gains (STCG<sup>4</sup>) means capital gains arising from the transfer of capital asset being a share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of Section 10 or a zero coupon bonds, held by an assessee for 12 months or less.
2. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for 36 months or less and twenty four month in case of assets being shares of unlisted Company.
3. Finance Act, 2014 has amended section 2(42A) of the Act whereby capital assets, being security (other than a unit) listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of equity oriented fund or a zero coupon bond, held by an assessee for not more than twelve months are considered to be short–term capital asset. In respect of any other capital assets, the holding period should not exceed thirty – six months to be considered as short– term capital assets. This amendment is applicable on and after 10th July, 2014.
4. Therefore, capital asset being unlisted share or unit of mutual fund (other than an equity oriented mutual fund) shall be short-term capital asset if it is held for not more than twenty four months .
5. LTCG arising on transfer of equity shares of a company or units of an equity oriented fund (as defined which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of business trust as defined in section 2(13A), is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to securities transaction tax (STT) and subject to conditions specified in that section.
6. The Finance Act 2012 has amended the chapter of Securities Transaction Tax [Chapter VII of Finance Act (No 2) of 2004]. As per the amendment, sale of unlisted equity shares under an offer for sale to the public which are included in an initial public offer and where such shares are subsequently listed on a recognized stock exchange, the same would be covered within the ambit of taxable securities transaction under the said Chapter. Accordingly, STT is leviable on sale of shares under an offer for sale to the public in an initial public offer and the LTCG arising on transfer of such shares would be exempt from tax as per provisions of Section 10(38) of the Act. However, in case the shareholder is a Company, income by way of long term capital gain shall not be reduced in computing the book profits for the purposes of computation of minimum alternate tax ("MAT") under section 115JB of the I.T. Act.
7. As per the provisions of Section 48 of the Act, Long term Capital Gain arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the Government) and depreciable assets, is computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.
8. As per the provisions of section 111A, short term capital gains arising from the transfer of equity shares in any company or units of an equity oriented mutual fund transacted through a recognized stock exchange shall be subject to tax @ 15% provided such a transaction is entered in after the 1st day of Oct, 2004 and transaction is subject to security transaction tax. Further, short term capital gains as computed above that are not liable to STT would be subject to tax at a rate applicable to the assessee (plus applicable surcharge plus education cess plus higher education cess). No deduction under Chapter VIA is allowed from such income.
9. As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% with indexation benefits. However, if such tax payable on transfer of listed securities or units or zero coupon bonds exceed 10% of the LTCG (without indexation benefit), the excess tax shall be ignored for the purpose of computing the tax payable by the assessee.
10. The tax rates mentioned above stands increased by applicable surcharge, education cess and higher education cess on the total income.



11. As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long - term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
12. As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.

**(ii) Exemption of capital gains from income-tax**

1. In accordance with and subject to the conditions and to the extent specified in section 54EC of the act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - (a) National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - (b) Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.

The maximum investment in the specified long term asset cannot exceed Rs 5,000,000 during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

2. In addition to the same, some benefits are also available to a resident shareholder being an individual or HUF.
3. As per the provisions of section 54F of the Act and subject to the conditions specified therein, long term capital gains (in cases not covered under section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family will be exempt from tax if the net consideration is utilized, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years from the date of transfer.
4. As per provisions of Section 56(2)(vii) of the Income Tax Act and subject to exception provided in second proviso therein, where an individual or a HUF receives shares and securities without consideration or for a consideration which is less than the aggregate fair market value (as defined) of the shares and securities by an amount exceeding Rs. 50,000, the excess of fair market value of such shares and securities over the said consideration is chargeable to tax under the head —income from other sources. However, the said section is not applicable in case the shares and securities are received from the specified persons referred in the proviso to said section.
5. No income tax is deductible at source from income by way of capital gains under the present provisions of the Act in case of residents.

• **Buy Back of Shares**

As per the Finance Act 2013, any income arising to shareholders on account of buy-back of shares as referred to in Section 115QA of the Act (buy-back of shares by unlisted companies) shall be exempt in the hands of the shareholders.

• **Other Provisions**

1. As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
2. The characterization of the gain / losses, arising from sale / transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.



3. Under Section 10(32) of the Act, any income of minor children clubbed in the total income of the parent under section 64(1A) of the Act will be exempted from tax to the extent of Rs.1,500/- per minor child.

### **III. Tax Benefits available to the Non-Resident Indian Shareholders**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961, received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the shareholders from the transfer of a long-term capital asset being an equity share in the Company, where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the shareholder.
3. Section 14A of the Act restricts claim for deduction of expenses incurred in relation to incomes which do not form part of the total income under the Act. Thus, any expenditure incurred to earn tax exempt income is not tax deductible.
4. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April

2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
5. Under Section 54F of the Income Tax Act, 1961 and subject to the conditions specified therein, long-term capital gains (other than those exempt from tax under Section 10(38) of the Income Tax Act, 1961) arising to an individual or a Hindu Undivided Family („HUF”) on transfer of shares of the Company will be exempt from capital gains tax subject to certain conditions, if the net consideration from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of a residential house property within a period of 3 years after the date of such transfer.
  6. Under Section 111A of the Income Tax Act, 1961 and other relevant provisions of the Income Tax Act, 1961, short-term capital gains (i.e., if shares are held for a period not exceeding 12 months) arising on transfer of equity share in the Company would be taxable at a rate of 15 percent (plus applicable surcharge plus education cess plus secondary and higher education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to STT. Short-term capital gains arising from transfer of shares in a company, other than those covered by Section 111A of the Income Tax Act, 1961, would be subject to tax as calculated under the normal provisions of the Income Tax Act, 1961.
  7. Under section 115-C (e) of the Act, the Non-Resident Indian shareholder has an option to be governed by the provisions of



Chapter XIIA of the Act viz. “Special Provisions Relating to Certain Incomes of Non-Residents” which are as follows:

- i) As per provisions of section 115D read with section 115E of the Act, where shares in the Company are acquired or subscribed to in convertible foreign exchange by a Non-Resident Indian, capital gains arising to the nonresident on transfer of shares held for a period exceeding 12 months, shall (in cases not covered under section 10(38) of the Act) be concessionally taxed at the flat rate of 10% (plus applicable surcharge plus education cess plus secondary and higher education cess) (without indexation benefit but with protection against foreign exchange fluctuation).
  - ii) As per section 115F of the Act, long-term capital gains (in cases not covered under section 10(38) of the Act) arising to a Non-Resident Indian from the transfer of shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax, if the net consideration is reinvested in specified assets within six months from the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.
  - iii) As per section 115G of the Act, Non-Resident Indians are not obliged to file a return of income under section 139(1) of the Act, if their only source of income is income from specified investments or long-term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.
  - iv) As per section 115H of the Act, where the Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for the assessment year in which he is first assessable as a Resident, under section 139 of the Act to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.
  - v) As per section 115-I of the Act, a Non-Resident Indian may elect not to be governed by the provision of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XIIA shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance the other provisions of the Act.
8. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident.

#### **IV. Tax Benefits available to the Foreign Institutional Investors (“FIIs”)**

1. Dividend income, if any, received by the Company from its investment in shares of another domestic company will be exempt from tax under Section 10(34) read with Section 115-O of the Income Tax Act, 1961. Income, if any, received on units of a Mutual Funds specified under Section 10(23D) of the Income Tax Act, 1961 will also be exempt from tax under Section 10(35) of the Income Tax Act, 1961 received on the shares of the Company is exempt from tax.
2. As per section 10(38) of the Act, long-term capital gains arising to the FIIs from the transfer of a long-term capital asset being an equity share in the Company or a unit of equity oriented fund where such transaction is chargeable to securities transaction tax would not be liable to tax in the hands of the FIIs.
3. As per section 115AD of the Act, FIIs will be taxed on the capital gains that are not exempt under the section 10(38) of the Act at the following rates:

<b>Nature of Income</b>	<b>Rate of Tax ( % )</b>
Long-Term Capital Gain	10
Short-Term Capital Gain (Referred to Section 111A)	15
Short-Term Capital Gain (other than under section 111A)	30



The above tax rates have to be increased by the applicable surcharge, education cess, and secondary and higher education cess.

4. In case of long-term capital gains, (in cases not covered under section 10(38) of the Act), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.
5. As per section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under section 10(38) of the Act) arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in a “long-term specified asset” within a period of 6 months after the date of such transfer. If only a part of the capital gains is invested, the exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. Provided that the investment made in the long-term specified asset during any financial year does not exceed Fifty Lac rupees. Provided further that the investment made by an assessee in the long-term specified asset, from capital gains arising from transfer of one or more original assets, during the financial year in which the original asset or assets are transferred and in the subsequent financial year does not exceed fifty lakh rupees. However, if the assessee transfers or converts the long-term specified asset into money within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long-term specified asset is transferred or converted into money.

A “long term specified asset” means any bond, redeemable after three years and issued on or after the 1st day of April 2006:

- a. by the National Highways Authority of India constituted under section 3 of the National Highways Authority of India Act, 1988, and notified by the Central Government in the Official Gazette for the purposes of this section; or
  - b. by the Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, and notified by the Central Government in the Official Gazette for the purposes of this section.
6. The tax rates and consequent taxation mentioned above shall be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII has fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.
  7. However, where the equity shares form a part of its stock-in-trade, any income realized in the disposition of such equity shares may be treated as business profits, taxable in accordance with the DTAA between India and the country of tax residence of the FII. The nature of the equity shares held by the FII is usually determined on the basis of the substantial nature of the transactions, the manner of maintaining books of account, the magnitude of purchases, sales and the ratio between purchases and sales and the holding etc. If the income realized from the disposition of equity shares is chargeable to tax in India as business income, FII’s could claim, STT paid on purchase/sale of equity shares as allowable business expenditure. Business profits may be subject to applicable Tax Laws.

#### **V. Tax Benefits Available To Mutual Funds**

As per Section 10(23D) of the Act, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorized by the Reserve Bank of India would be exempt from income tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

#### **VI. Tax Benefits Available To Venture Capital Companies/Funds**

Under Section 10(23FB) of the Income Tax Act, 1961, any income of Venture Capital company / funds (set up to raise funds for investment in venture capital undertaking notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein. As per Section 115U of the Income Tax Act, 1961, any income derived by a person from his investment in venture capital companies / funds would be taxable in the hands of the person making an investment in the same manner as if it were the income received by such person had the investments been made directly in the venture capital undertaking.





**Benefits available under the Gift Tax Act:** Gift tax is not leviable in respect of any gifts made on or after 1st October 1998. Therefore, any gift of shares of the Company will not attract gift tax in the hands of the donor.

### **Tax Treaty Benefits**

An investor has an option to be governed by the provisions of the Income Tax Act, 1961 or the provisions of a Tax Treaty that India has entered into with another country of which the investor is a tax resident, whichever is more beneficial.

### **NOTES:**

1. All the above possible benefits are as per the current tax laws as amended by the Finance Act, 2015.
2. All the above possible benefits are as per the current tax laws and will be available only to the sole / first named holder in case the shares are held by joint holder.
3. In respect of non-residents, tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double taxation avoidance agreements, if any, between India and the country in which the non-residential has fiscal domicile.
4. In the above statement only basic tax rates have been enumerated and the same is subject to applicable surcharge plus education cess plus higher education cess, wherever applicable.
5. The above Statement of Possible Direct Tax Benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares.
6. In view of the individual nature of tax consequence, each investor is advised to consult his/her /its own tax advisor with respect of specific tax consequence of his / her / its participation in the scheme. The share holder is also advised to consider in his / her / its own case, the tax implication of an investment in equity Shares, particularly in view of the fact that certain recently enacted legislation may not have direct legal precedent or may have a different interpretation on the benefits which investor can avail.





## **SECTION IV – ABOUT THE ISSUER COMPANY**

### **INDUSTRY OVERVIEW**

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

#### **Global Economy Outlook**

Global growth again fell short of expectations in 2015, slowing to 2.4 percent from 2.6 percent in 2014. The disappointing performance was mainly due to a continued deceleration of economic activity in emerging and developing economies amid weakening commodity prices, global trade, and capital flows. Going forward, global growth is projected to edge up, but at a slower pace than envisioned in the June 2015 forecast, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. The forecast is subject to substantial downside risks, including a sharper-than-expected slowdown in major emerging and developing economies or financial market turmoil arising from a sudden increase in borrowing costs that could combine with deteriorating fundamentals and lingering vulnerabilities in some countries.

In developing countries, growth in 2015 is estimated at a post-crisis low of 4.3 percent, down from 4.9 percent in 2014 and 0.4 percentage point lower than projected in June (as per below figures). In a development unprecedented since the 1980s, most of the largest emerging economies in each region have been slowing simultaneously for three consecutive years. The economic rebalancing in China is continuing and accompanied by slowing growth. Brazil and Russia have been going through severe adjustments in the face of external and domestic challenges. On average, activity in emerging and developing commodity exporters stagnated in 2015, as they continued to be hard hit by declining commodity prices. As a result, the contribution to global growth from these economies has declined substantially. More generally, 2015 growth estimates for more than half of developing countries were further downgraded. Disappointments are concentrated in Latin America and, to a lesser degree, Sub-Saharan Africa, where a number of commodity exporters are struggling to maintain growth.

Notable exceptions in an otherwise gloomy outlook for developing countries include South Asia (reflecting reduced macroeconomic vulnerabilities and domestic policy reforms in India), as well as some commodity-importing countries in East Asia. Growth in low-income countries generally remained robust in 2015, albeit slowing to 5.1 percent from 6.1 percent in 2014. Some low-income economies showed continued strength (Ethiopia, Rwanda, Tanzania), supported by large scale infrastructure investment, ongoing mine development, and consumer spending. However, fiscal risks have increased in several countries in East Africa because of sharp increases in public debt and contingent liabilities.

These scattered bright spots aside, the widespread slowdown across emerging and developing economies is a source of concern for the global economy and poses a threat to hard-won achievements in poverty reduction: more than 40 percent of the world's poor live in the developing countries where growth slowed in 2015.

Worsening prospects for developing countries have coincided with a sharp slowdown in global trade, a rise in financial market volatility, and a substantial decrease in capital inflows (Figure 1.2). In anticipation of tighter U.S. monetary policy, currency pressures have intensified and borrowing costs have increased, particularly for a number of commodity exporters. Significant nominal currency depreciations against the U.S. dollar are straining balance sheets in countries with elevated dollar-denominated liabilities. In an environment of weak global trade, exports are likely to languish. On the domestic front, a trend deceleration in productivity growth, rising private sector leverage, depleted fiscal buffers, and heightened policy uncertainty are major headwinds.

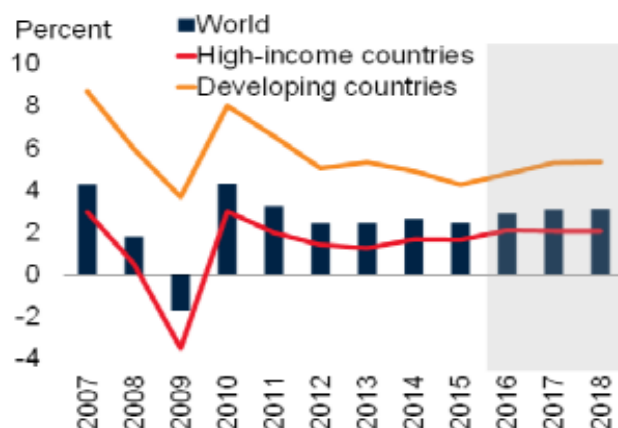
In contrast to developing countries, the recovery in major high-income countries gained traction in 2015 and has been increasingly driven by stronger domestic demand as labor markets heal and credit conditions improve. However, 2016 growth forecasts for

high-income countries have been marked down in light of the effect on the United States of dollar appreciation and the impact on Japan of slowing trade in Asia. Conditions for a continued but fragile upturn in the Euro Area still appear in place, despite soft external demand and rising geopolitical concerns. Albeit gradually dissipating, legacies from the global financial crisis continue to be felt across high-income countries, limiting both aggregate demand and the underlying growth potential of these economies.

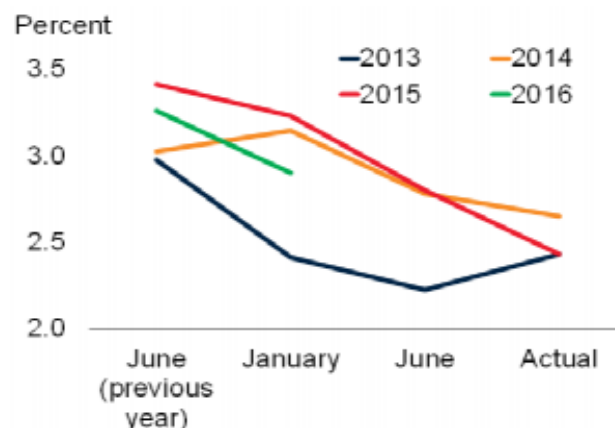
Going forward, global growth should pick up, albeit at an appreciably slower pace than previously projected, reaching 2.9 percent in 2016 and 3.1 percent in 2017-18. Global inflation is expected to increase moderately in 2016 as commodity prices level off, but will remain low by historical standards. A modest upturn in global activity in 2016 and beyond is predicated on a continued recovery in major high-income countries, a gradual slowdown and rebalancing in China, a stabilization of commodity prices, and an increase in global interest rates that is gradual and stays well contained. All of these projections, however, are subject to substantial downside risks.

### Global and developing-country growth prospects:-

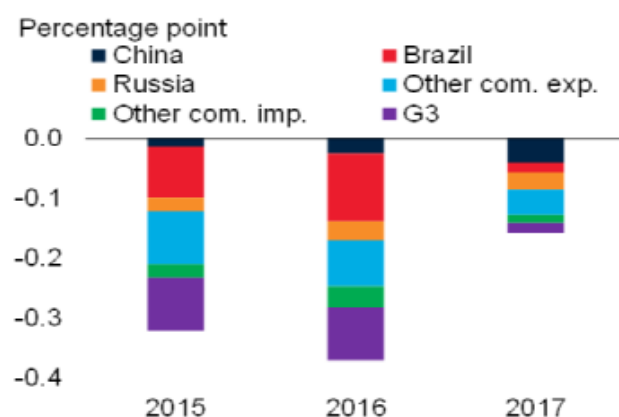
**A. GDP growth, actual and projected**



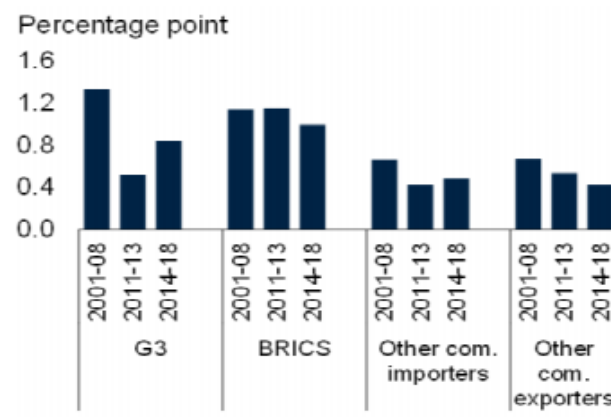
**B. Global GDP growth forecasts over time**



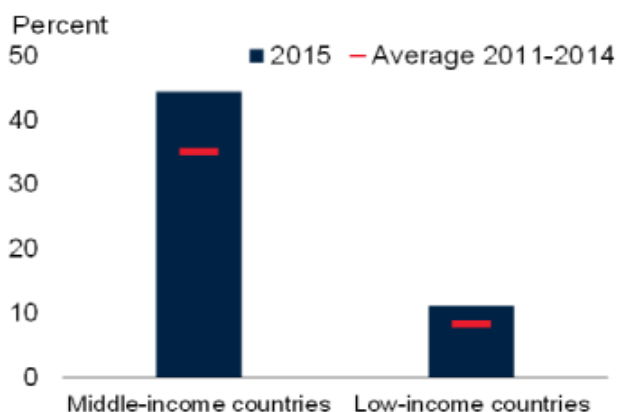
**C. Contribution to global growth revisions**



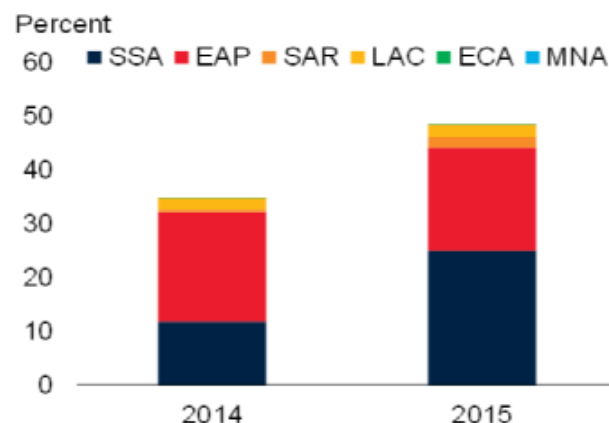
**D. Contribution to global growth**



### E. Share of developing countries with slower growth than 1990-2008 average



### F. Share of world's poor living in countries with slowing growth



A. Shaded areas indicate forecasts.

B. Global GDP growth forecasts for a given year over subsequent Global Economic Prospects projection exercises.

C. Contribution to global growth revisions measured in constant 2010 U.S. dollars. "Other Com. Exp." stands for other commodity exporters, and excludes Russia and Brazil; "Other Com. Imp." stands for other commodity importers, and excludes China and G3 (Euro Area, Japan, and United States). Cumulative contributions from individual country growth revisions can differ from global growth revisions reported in Table 1.1 due to decimal rounding.

D. Contributions to global growth measured in constant 2010 U.S. dollars. "Other Com. Exp." stands for other commodity exporters, and excludes Russia, Brazil and South Africa; "Other Com. Imp." stands for other commodity importers, and excludes China, India and G3 (Euro Area, Japan, and United States).

E. For each year, the fraction of middle- and low-income countries in which growth is slower than its historical average for 1990-2008.

F. Share of extreme poor (\$1.90/day) living in developing countries that grew more slowly in the current year than in the previous year. EAP= East Asia and Pacific, ECA = Europe and Central Asia, LAC = Latin America and the Caribbean, MNA = Middle East and North Africa, SAR = South Asia, SSA = Sub-Saharan Africa.

Although it is still a low-probability scenario, a faster-than-expected slowdown in China combined with a more protracted deceleration in other large emerging markets is a risk. Empirical estimates suggest that a sustained 1 percentage point decline in growth in the BRICS (Brazil, the Russian Federation, India, China, and South Africa) would reduce growth in other emerging and developing economies by around 0.8 percentage point and global growth by 0.4 percentage point. This suggests a substantial risk of contagion through other emerging markets, with potential adverse effects for some advanced economies as well. Compounding this risk is the possibility of a protracted decline in potential growth throughout emerging and developing economies, persistently subdued growth in major high-income countries, and an escalation of geopolitical tensions. In addition, baseline forecasts of a smooth monetary policy tightening cycle in the United States are subject to considerable uncertainty. A sudden readjustment of expectations about the future trajectory of U.S. interest rates could combine with domestic fragilities and policy uncertainties in some developing countries to generate financial stress. Given the weak outlook and lingering vulnerabilities in many developing countries, these risks have the potential to be a source of damaging sudden stops in capital flows in the most fragile economies.

Policies can play an important role in mitigating risks and supporting growth. A combination of cyclical and structural policies could be mutually reinforcing. In the near term, policy actions need to be focused on building the ability to withstand financial market turbulence. Cyclical policies need to be supplemented with structural reform measures that boost investors' confidence in the short term and enhance growth prospects in the long term.

(Source: <http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2016a/Global-Economic-Prospects-January-2016-Global-Outlook.pdf>)



## **Indian Economy Overview**

As per the Advance Estimates released by the Central Statistics Office (CSO), the growth rate of the gross domestic product (GDP) at constant market prices has been estimated at 7.6 per cent in 2015-16, which is higher than the growth of 7.2 percent growth recorded in the previous year. The growth of the gross value added (GVA) at constant basic prices has been estimated at 7.3 per cent in 2015-16 —as opposed to 7.1 per cent in 2014-15—, with agriculture and allied sectors, industrial sector and services sector growing at 1.1 per cent, 7.3 per cent and 9.2 per cent respectively. The growth of GDP at constant basic prices for the first, second and third quarters of 2015-16 has been estimated at 7.6 per cent, 7.7 per cent and 7.3 per cent respectively.

On the demand side, the growth in final consumption expenditure at constant (2011-12) prices is estimated to have remained strong at 6.9 per cent in 2015- 16, as compared to 7.2 per cent in 2014-15. The growth in gross fixed capital formation at constant prices increased from 4.9 per cent in 2014-15 to 5.3 per cent in 2015-16. Exports and imports of goods and non-factor services declined (at constant prices) by 6.3 per cent each in 2015-16; the former mainly on account of the sluggishness in the global economy and the latter on account of decline in international petroleum and other commodity prices

(Source - <http://finmin.nic.in/reports/AnnualReport2015-16.pdf>)

As per the Economic Survey, India will seek to adhere to medium-term fiscal deficit target of 3 per cent of the country's gross domestic product (GDP). A three-pronged strategy of promoting competition, investing in health and education while not neglecting agriculture will help India to achieve its long-term potential growth rate of around 8-10 per cent, said the survey.

### **Fiscal Deficit:**

- Fiscal deficit target of 3.5 per cent of GDP pegged for 2016-17
- Fiscal deficit of 3.9 per cent 2015-16 of GDP seems achievable
- India must adhere to medium-term fiscal deficit target of 3 per cent of GDP
- Achieving fiscal target for 2016-17 seems challenging on account of additional outgo towards Seventh Pay Commission (SPC) and a slowing global economy
- Fundamental task of the budget should be to preserve fiscal sustainability

### **GDP Growth:**

- GDP growth expected to accelerate between 7 and 7.5 per cent in 2016-17
- Real GDP growth at 7.6 per cent in 2015-16
- Gross Value Added (GVA) growth at basic prices 7.3 per cent in 2015-16
- Long term potential GDP growth of eight to ten per cent is estimated

### **Inflation and monetary policy:**

- Average retail inflation, measured by Consumer Price Index (CPI), in 2015-16 (April – December) seen at 4.5- 5 per cent
- Average Wholesale Price Index (WPI) inflation, in 2015-16 (April – December) seen at -3 per cent from 2 per cent in 2014-15
- Reserve Bank of India (RBI) expected to meet 5 per cent inflation target by March 2017
- With the easing of inflationary conditions, RBI cut the repo rate by 50 basis points to 6.75 per cent in September 2015
- Prospect of lower oil prices over medium term likely to dampen inflationary expectations

### **External Sector:**

- During April-January 2015, India's exports declined by 17.6 per cent year-on-year and reached US\$ 217.7 billion due to sluggish global demand and low global commodity prices
- During April-January 2015, imports also declined by 15.5 per cent year-on-year to US\$ 324.5 billion
- In 2016-17, Current Account Deficit (CAD) is expected to be at 1-1.5 per cent of GDP
- Export growth negative due to weak global scenario
- To counter increased trade deficit, the government announced several initiatives aimed at boosting India's exports



Performance of key sectors:

- Agriculture and food management:
- Agriculture and allied activities remain the major source of livelihood for nearly half of the Indian population. The share of agriculture in employment was 48.9 per cent of the workforce and its share in the Gross Domestic Product (GDP) was 17.4 per cent in 2014-15.
- India has emerged as a significant agricultural exporter of commodities such as cotton, rice, meat, oil meals, spice, guar gum meal and sugar. As per the World Trade Organisation's (WTO's) Trade Statistics, the share of India's agricultural exports and imports in the world trade in 2014 were 2.46 per cent and 1.46 per cent respectively.
- Agricultural exports as a percentage of agricultural GDP increased from 7.95 per cent in 2009-10 to 12.08 per cent in 2014-15.
- Food grain production for 2015-16 is estimated at 253.16 million tonnes (MT); higher by 1.14 MT over the production of 252.02 MT during 2014-15.

Key Government initiatives to boost economic growth:

- Government is looking to facilitate a host of initiatives, including the new bankruptcy law, rehabilitation of stalled projects, proposed changes to the Prevention of Corruption Act as well as the broader JAM (Jan Dhan, Aadhaar and Mobile governance) agenda
- Diesel prices have been de-regulated
- Increase in wages recommended by the Seventh Pay Commission
- Cooking gas subsidy has been replaced by direct transfer
- Several initiatives taken which to transform the infrastructure sector
- Reforms to be implemented to fertilizer subsidy
- Standard deduction and exemptions to be phased out in an orderly manner in due course
- Higher property tax rates may be implemented
- Reasonable taxation from rich agriculturalists
- More emphasis to be given on widening the tax base

(Source: - <http://www.ibef.org/economy/economic-survey-2015-16>)

## **Distillery Industry**

The use of alcohol as a drink is an age-old story in India and it appears that the technique for fermentation and distillation was available even in the Vedic times. It was then called "Somarasa" and was used not only for its invigorating effect but also in worship and medicinal uses. To date, not only has the consumption of alcohol been continued but it is an integral part of the Ayurvedic system of medicine.

The distillery industry today consists broadly of two parts, one potable liquor and the industrial alcohol including anhydrous ethanol for blending with petrol. The potable industry producing Indian Made Foreign Liquor and Country Liquor has a steady but limited demand with a growth rate of about 7-10 per cent per annum. The industrial alcohol industry on the other hand, is showing a declining trend because of high price of Molasses which is invariably used as a substrate for production of alcohol. The alcohol produced is now being utilized in the ratio of approximately 52 per cent for potable and the balance 48 percent for industrial and ethanol for blending with petrol, use. Over the years the potable liquor industry has shown remarkable results in the production of high quality spirits. Indian Liquor industry is today exporting a sizable quantity of Indian Liquor products to other countries.

The utilization of Ethyl alcohol or Ethanol, now popularly known as alcohol, for industrial use is a recent phenomenon and its importance came into being towards the end of the second world war. With protection being granted to the sugar Industry in 1932, a large number of sugar factories were established in the country, particularly in Maharashtra and Uttar Pradesh where irrigation facilities existed for cultivation of sugarcane. This increase resulted in accumulation of molasses, which resultantly, caused unmanageable environmental problems. At that time the demand for molasses was almost insignificant and the sugar mills had to incur some expenditure on removal of this bye product i.e. molasses. For resolving these problems a joint committee of U.P. and Bihar was constituted to explore the possibilities of developing alcohol based industries for the purpose of utilization of molasses.





The Committee in its report recommended the establishment of distilleries for production of alcohol, utilizing molasses as substrate.

It also recommended that alcohol produced by the distilleries should be admixed with petrol, to supplement motor fuel. The production of alcohol did not only help in solving the problems of disposal of molasses but it also filled up the gap in the demand and supply of motor spirit. As a substantial quantity of alcohol after meeting its requirement for manufacture of gasohol alcohol was diverted for production of alcohol based chemicals in different parts of the country. The utilization of alcohol for this purpose progressed steadily and a substantial quantity of alcohol produced in the country is now being utilized for manufacture of solvents and intermediates. Till a few years back a little more than 50% alcohol produced in the country was being utilized for production of alcohol based chemicals but after the decontrol of molasses in the year 1993 the utilization of alcohol for production of chemicals, dye-stuff, synthetic rubber, polymers and plastics etc. has received a setback.

However, with the advent of ethanol blending with petrol/ motor fuel, the requirement of ethanol/ industrial alcohol has increased manifold in the country to the extent that in case 5-10 % blending, if made mandatory all over the country, the sugar factory molasses available in the country shall not prove to be adequate for meeting the total requirement of ethanol including its use for potable liquors and other industrial uses. The alcohol industry has a total installed capacity of 4200 million litres of alcohol in a year. However, the licenced capacity is concentrated in three states of U.P., Maharashtra and Tamilnadu . With the announcement of the Government of India to make blending of motor fuel with ethanol upto 5 % mandatory and to raise it to 10% by the year 2017-18, a substantial increase in the requirement as well as production capacity of ethanol is expected and a large number of ethanol distilleries are on the anvil of installation.

The ethanol is being mixed with petrol upto 20% to 25 % in Brazil and nearly 30 -40 % in USA particularly in the state of California. India therefore has to immediately look for other sources of feedstock for production of ethanol for increasing the total production and meeting the requirement of ethanol even for 5-10% blending with petrol, coupled with further increasing the availability of molasses through increase in sugar cane production and sugar mills capacity. Thus the distillery industry is destined to play a very important and vital role in the nation's economic and industrial scenario in the near future.

(Source:- <http://www.aidaindia.org/about-aida.html>)

### **Liquor Market in India**

India has the world's third largest and fastest growing market for alcoholic beverages. The whiskey market—estimated at 300 million cases—is the largest in the world. The World Health Organization (WHO) reports that liquor consumption in India has been growing steadily since 2005. In the meantime, per capita consumption of alcohol beverages has increased from 3.6 litres to 4.3 litres between 2003 and 2010, 93 per cent of this growth comes from liquor (spirits). While tariffs on imported liquor remain high, domestic liquor manufacturing and sales are also enmeshed in a complicated network of laws and regulations on both the federal and state levels.

**Indian Made Foreign Liquor (IMFL):** Hard liquor that has incorporated imported raw material or borrowed the concept from foreign branded liquor are often termed as Indian Made Foreign Liquor (IMFL).v Among all IMFL, whiskey accounts for approximately 46 percent of total sales. Despite its origins, freedom to buy IMFL is restricted in some federal states. The southern states are often more heavily regulated in liquor manufacturing and distribution than the north. They are often available at retail outlets and privately owned bars. A licensing system is used by the federal states to control the number of private bars. Nevertheless, purchase of IMFL in southern Indian states including Kerala, Tamil Nadu, Karnataka and Andhra Pradesh still accounts for more than 60 per cent of total annual sale in the country.

**Imported Foreign Liquor (IFL):** IFL includes foreign produced liquor imported to India. IFL constitutes only a marginal share of the total alcohol consumption in India. Consumers of IFL are often rich and upper middle class people or international travellers. Duties on IFL are as high as 150 percent, a reason why its share of India's total liquor market is less than 3 percent. Despite the high custom duties on IFL and strict quotas on the amount of liquor travellers can carry into the country, whiskey imported has grown steadily over the years primarily driven by purchases from government, licensed retailers and manufacturers using IFL as raw materials for their own products.

**Country Liquor:** Country Liquor, also called Indian Made Indian Liquor or (IMIL), is brewed and mostly sold domestically. Most of the country liquor is sold in northern states. Ethanol from molasses and grains are used in the north while palm and coconut are

used in the south for producing the country liquor. The price of country liquor is much cheaper compared to IMFL and IFL; the reason it constitutes 48 per cent of the domestic liquor market.

(Source - <http://www.cppr.in/wp-content/uploads/2014/12/Report-on-Liberalizing-Liquor-Trade-in-India.pdf>)

## **Ethanol Industry**

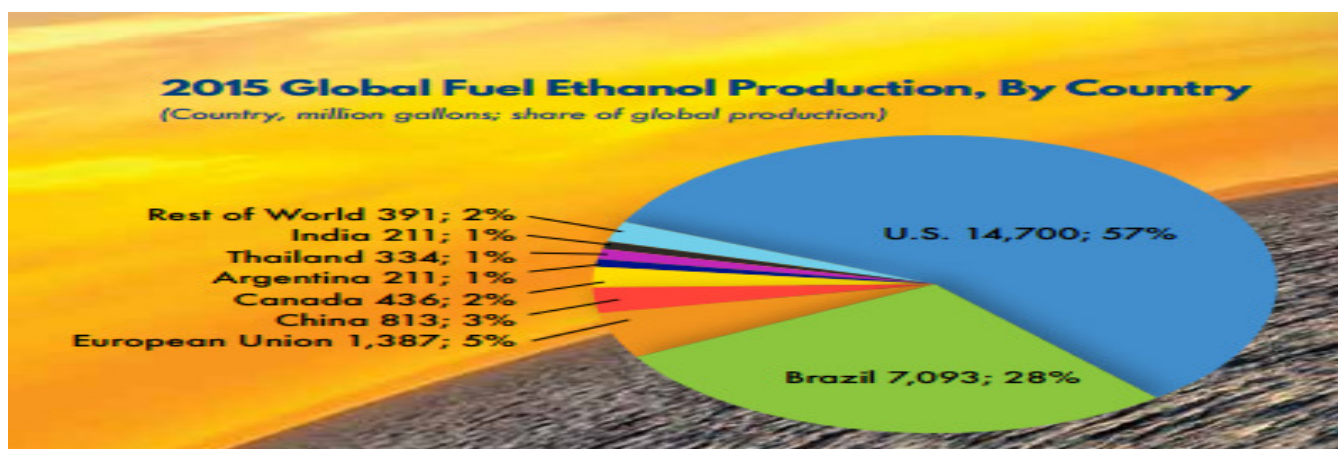
After a banner year in 2014, the U.S. ethanol industry faced a host of familiar challenges in 2015. Low oil prices led to challenging production economics. Regulatory indecision caused uncertainty in the marketplace. And, ethanol opponents ramped up their campaign against the Renewable Fuel Standard (RFS). But the ethanol industry again showed its strength and resolve in 2015. Booming export demand and ethanol's indispensable value as a clean, low-cost octane booster helped producers weather the storm. In fact, ethanol biorefineries in 29 states produced a record 14.7 billion gallons of high-octane renewable fuel and some 40 million metric tons of high-protein animal feed. Domestic ethanol blending also hit a new record, as lower oil prices led to an eight-year high in gasoline consumption. The third-largest corn crop in history also was a bright spot. Meanwhile, the White House and Environmental Protection Agency (EPA) dealt a blow to ethanol producers, farmers, and consumers when they finalized RFS volume requirements for 2014-2016 that were below the levels mandated by Congress.

In the end, while OPEC's strategy to snuff out competition was successful in bringing the U.S. fracking boom to a halt, it certainly didn't deter America's ethanol producers from reaching new heights. And while the administration's mismanagement of the RFS continued to create uncertainty, it didn't stop the ethanol industry from innovating and adopting new technologies. As 2016 began, America's ethanol producers remained ready for whatever challenges might arise in the New Year, and poised to seize upon any new opportunities to expand production and use of homegrown renewable fuel.

While the 2015 crash in oil prices led to thousands of layoffs in the petroleum sector and economic challenges for many communities, growth in the ethanol sector continued to serve as a crucial wealth generator for rural areas across the nation. The ethanol industry is responsible for creating well paying, stable jobs in areas where such employment is often hard to come by. In 2015, the production of 14.7 billion gallons of ethanol supported 85,967 direct jobs in renewable fuel production and agriculture, as well as 271,440 indirect and induced jobs across all sectors of the economy. Not surprisingly, five of the top 10 states with the lowest unemployment rates also rank in the top 10 ethanol-producing states.

The industry added \$44 billion to the nation's Gross Domestic Product (GDP) in 2015 and paid \$10 billion in taxes. The sector's economic activity and job creation helped raise household income by \$24 billion. Meanwhile, the U.S. ethanol industry spent \$25 million on raw materials, other inputs, and other goods and services. But more importantly, ethanol industry workers take great pride in what they do. A recent survey by Ethanol Producer Magazine found that more than 90% of ethanol employees are "satisfied" with their jobs, with 66% being "very" or "extremely satisfied." Amongst the reasons for their job satisfaction, "job security" ranked highest, with "competitive salaries" and "positive work environment" following closely behind.

## **Ethanol Exports and Imports**







The export market continued to serve as a crucial source of demand for U.S. ethanol in 2015, with approximately 850 million gallons shipped to more than 50 countries. In 2015, both total exports and net exports were on par with 2014 levels. A number of new trading partners entered the fray in 2015, and China's rapid emergence as a Top 10 destination for U.S. ethanol was a major development. Canada remained as the U.S. ethanol industry's top export customer, receiving approximately 30% of all shipments. Brazil, the Philippines, South Korea, and India were other familiar top destinations. While U.S. ethanol exports continued to surge, ethanol imports continued to sag. Fuel ethanol imports registered less than 100 million gallons for the second straight year, despite the demand pull from California's Low Carbon Fuel Standard and the RFS advanced biofuel standard. With much lower crude oil prices in 2015, many predicted that demand for U.S. ethanol exports would falter. However, robust export volumes in 2015 demonstrate that gasoline blenders in foreign markets are increasingly valuing ethanol for its unique octane and oxygenate properties. Just as U.S. refiners and blenders have optimized their operations to take advantage of ethanol as a low-cost octane source, so too are international gasoline producers.

(Source - [http://www.ethanolrfa.org/wp-content/uploads/2016/02/RFA\\_2016\\_full\\_final.pdf](http://www.ethanolrfa.org/wp-content/uploads/2016/02/RFA_2016_full_final.pdf))



## **OUR BUSINESS**

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

*All financial information included herein is based on our “Financial information of the Company” included on page 166 of this Prospectus.*

### **OVERVIEW**

We believe that we are one of the leading manufacturers of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol. Apportion of our production of molasses from sugar factory is used as raw material for manufacture of spirit i.e. Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol which is manufactured by the Continuous Fermentation & Multipressure Vacuum Distillation and also effecting sells of carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Our Products are manufactured at our distillery situated at Walchandnagar, Maharashtra with total area of approx 40 Acres which is a molasses based distillery. Our majority of the spirit which contains 95% alcohol by nature and also used to manufacture alcohol by the process of rectification is used by chemical and pharmaceutical industries.

Our Company was originally incorporated on August 03, 2000 as private limited company under the name and style of “Aurangabad Distillery Private Limited” with Registrar of Company, Maharashtra by Original Promoters, Mr. Manoj Wadhwani, Mrs. Kiran Wadhwani and Mr. Sadhuram Wadhwani with a main object to set up an distillery and manufacturing of spirits. In the year 2005, our company purchased a distillery with land and installed Plant & machinery situated at Walchandnagar from Ashok Alcochem Limited. Later in the year 2005, the company was taken over by Present promoters Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi. During the last quarter of the year 2005, our company has started its commercial production of spirit with new management.

The manufacturing process of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol is based on the modern technology of Continuous Fermentation and multi pressure vacuum distillation and molasses from sugar factory is used as raw material for manufacture of Spirit. The Rectified Spirit is the initial product obtained. It is diluted with soft water and further distilled to remove any organic impurities & refined to obtain best quality denatured spirit and extra neutral alcohol. Our Company also sells carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Additionally our company produces electricity through turbine which is captively consumed in our distillation process and reduces the dependency on purchased electricity.

Our Company has set up its Effluent Treatment Plant (ETP) which is used to treat the waste generated during the process of distillation. The spent wash generated from Distillation is highly polluted in nature, as it is acidic in content. For effective control of pollution, Effluent Treatment Plant comprises of Primary treatment plant and Secondary treatment plant which together treat the waste with conversion into solid form and afterwards the waste is degraded using the Press mud.

In order to strengthen our business operation and continue to invest in technology, our Company has shifted from manual distillation to automated distillation in the year 2015-16. The distillation plant consists of analyser column and rectifier column. The analyser column built along with degasifying column and each column is attached with condensers. The fermented wash pumped from the clarified wash tank is fed into an analyser column on continuous basis and steam is injected for separating alcohol and spent wash from fermented wash in analyser column. All the activities are controlled by Programmable Logic Controller (PLC) which overcomes the limitation of manual distillation. Our Distillation plants are customized for quality, consumption and operational ease. We have state of the art specially designed equipment’s enabling efficient separation of impurities with reduced scaling and down time. Below are the features of our automated distillation Plant:-

- Multi pressure distillation operates under vacuum and at low operating temperatures which avoids hard scale formation.



- Reduction in impurities in spirit production
- Reduction in effluent quality by integrating by the evaporation system
- Energy conservation through multi pressure distillation.
- Better quality of all grade of alcohol due to better removal of impurities.

Our Company is presently promoted by Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi, who have over 15 years of experience in the distillation industry and have in-depth knowledge of the product and industry in which we operate.

For the year ended March 31, 2016, our Company's Total Income and Restated Profit after Tax were Rs. 4634.83 Lacs and Rs. 573.88 Lacs, respectively. For the year ended March 31, 2015, our Company's Total Income and Restated Loss after Tax was Rs. 3624.72 Lacs and Rs. (245.17) Lakhs respectively, compared to our Company's Total Income and Restated Profit after Tax of Rs. 3320.54 Lacs and Rs. 159.61 Lacs respectively, over previous year ended i.e. March 31, 2014.

## **OUR COMPETITIVE STRENGTH:-**

### **1. Strategic Location of Manufacturing Unit / Location Advantage:-**

Our factory is situated at Walchandnagar, Maharashtra where we have set up our manufacturing units which is well known for Sugar and distillation industry which gives an advantage for easy availability of raw material i.e. molasses used for manufacturing of Spirit. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our Products supplied to Alcohol manufacturing companies and Chemicals Industries. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

### **2. Experienced Management Team:-**

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in Distillation industry. Our experienced management and employees have successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani, both have about 15 years of experience in field of distillation and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.

### **3. Quality Assurance and Standards:**

We believe in providing our customers the best possible quality by manufacturing and removing impurities from Spirit. Quality standards followed right from the beginning were very stringent, and adhere during the distillation process of spirit. We are very particular from usage of right quality of molasses to following the right procedure for fermentation. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them.

### **4. Well Established Manufacturing facilities:-**

Our existing manufacturing facility is established in the state of Maharashtra, Walchandnagar with total area of approx 40 Acres of land with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated distillery with fermentation tanks, analyzer column, rectifier column, simmering column and Programmable Logic Controller. The Distillery unit has processing plant for manufacturing rectified spirit and Denatured spirit and further conversion of rectified spirit to Extra Neutral alcohol. Additionally our factory has Effluent treatment plant (ETP) for degradation of waste and CO<sub>2</sub> plant which is generated during the process of distillation. The established manufacturing plant adds significant competitive advantage in distillation process of our Company.



## **5. Existing relationship with suppliers:-**

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

## **OUR BUSINESS STRATEGIES:-**

### **1. Improve capacity utilization and increase operational efficiencies:-**

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. For example, we have set up a captive co-generation power facility to simultaneously produce electric power from turbine along with steam required for manufacturing process, from the same fuel, thereby reducing costs of fuel and power. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in distillation. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

### **2. To build-up a professional organization:-**

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

### **3. Maintain consistent profitability:-**

We have generated strong revenue from operations in past decade from the year 2006 to 2016 at a growth stage under the leadership of our Promoters Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani. This has enabled us to further invest in our business. Our sales have been increased from Rs. 664.36 Lacs in the year 2006 to Rs. 4617.99 Lacs in the year 2016 with increase in profit from Rs. 19.36 Lacs in the year 2006 and to Rs. 311.36 Lacs in the year 2016 as per audited financial Statement. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

### **4. Optimal Utilization of Resources:-**

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

### **5. Leveraging our Market skills and Relationships:-**

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

**SWOT ANALYSIS:**

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



**Our Manufacturing facilities:-**

<p><b>Molasses Dilutor</b></p> 	<p><b>Fermentation Tank</b></p> 
<p><b>Analyser Column</b></p> 	<p><b>Rectifier Column</b></p> 



Simmering Column	Multi Purpose Vacuum Distillation Plant
	
Effluent Treatment Plant (ETP)	
	



Reflux Tank	Rotameters
	

### Our Products:-

S.No.	Products	Description
1.	Rectified Spirit	Rectified spirit is highly concentrated ethanol purified by means of repeated distillation. It contains 95% alcohol by volume. Rectified Spirit Alcohol is used in mixed drinks, in the production of liquors, for medicinal purposes, and for chemical industry. Rectified Spirit is produced from molasses using yeast in fermentation tanks. Molasses diluted with water to the desired concentration is metered continuously in to a fermented. Spent wash from distillations re-circulated to ferment depending on solids concentration in fermented wash and molasses composition. During fermentation process yeast cells convert sugar in to alcohol. Fermentation is an exothermic reaction, heat is evolved during the fermentation and it is continuously cooled by plate type heat exchanger.
2.	Denatured Spirit	Denatured Spirit is produced by mixing spirits with denaturants in order to render them potable, generally for use in various industrial applications. Denatured Spirit usually is colorless in appearance. Denatured spirit serves as a cleaning agent, fuel additive, sanding aid, exterminator, and as a solvent.
3.	Extra Neutral Alcohol	Extra neutral alcohol (ENA) - is a colorless alcohol with neutral smell and taste. It is distilled from sugarcane molasses. Extra Neutral Alcohol that is produced by re-distillation of rectified spirit, which helps in removing low volatile impurities and high volatile impurities present in it. Extra Neutral Alcohol is the best quality of alcohol which is used for Alcoholic Beverages having lowest impurities to give higher taste. Molasses base Extra Neutral Alcohol is little sweetness in taste. Extra Neutral Alcohol is used as volatile carriers in flavour & Fragrances, potable liquor for human consumption.

### Features of our Products:-

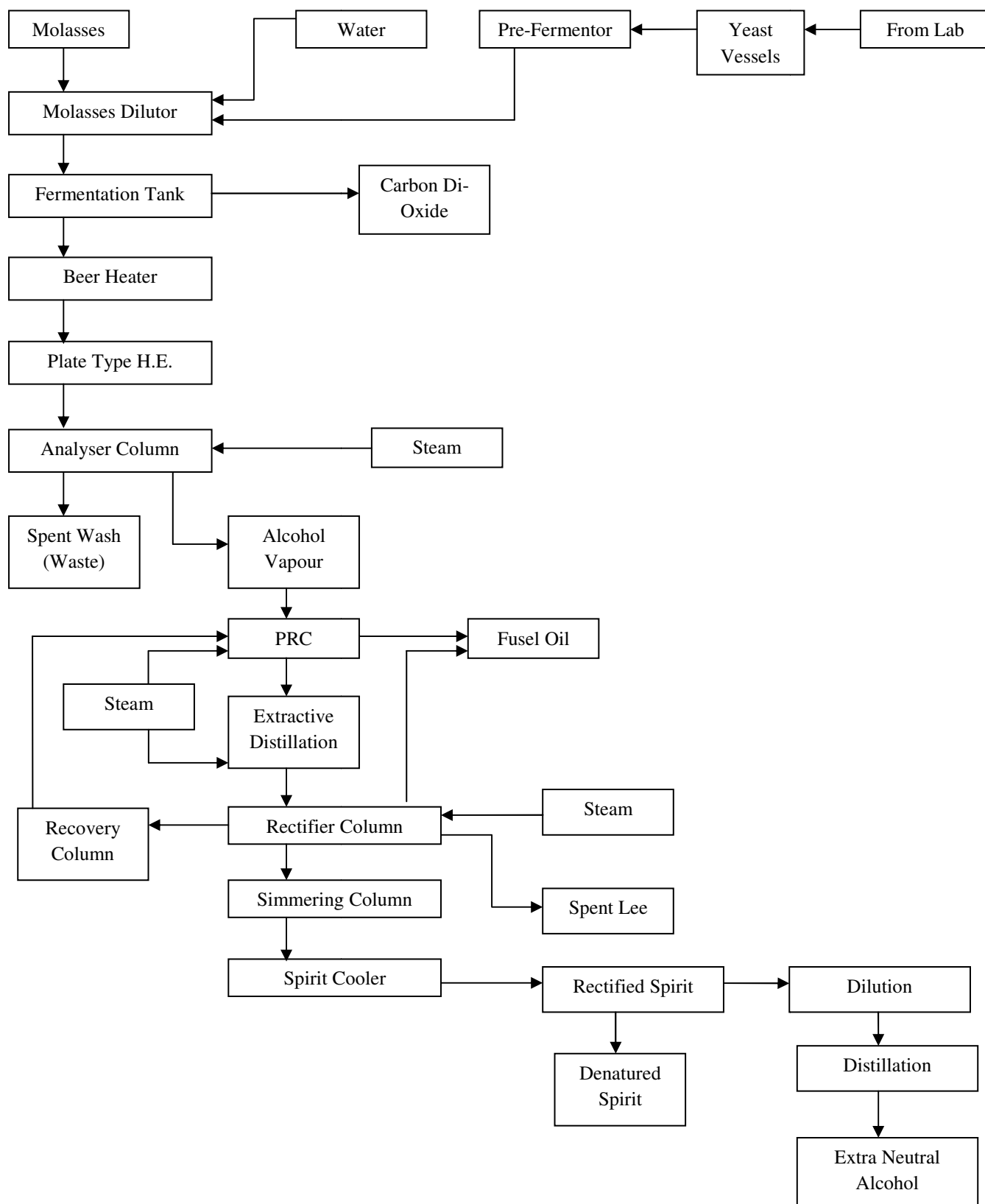
- Molasses based Spirit
- Cleared & colorless
- Homogeneous liquid
- Miscible with water
- Non toxic
- High transparency

### OUR LOCATION:-

<b>Registered Office</b>	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India
<b>Corporate Office &amp; Factory</b>	Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India



**MANUFACTURING PROCESS FLOW CHARTS:-**





Basic Raw material for manufacture of Rectified Spirit is Molasses. Molasses is a byproduct of the Sugar industry. Molasses is available in abundance in the state of Maharashtra. Molasses of 40–50% total reducing sugar and 10-12% un-fermentable sugar is purchased from various sugar mills and brought to the Company's facility in road tankers. Molasses is stored in huge tanks. It is then taken to Fermentation House for fermentation in various fermentators.

Fermentable sugar in molasses is converted into Ethyl Alcohol and Carbon dioxide with the help of microorganism called yeast in two distinct phases

### **Fermentation Process:-**

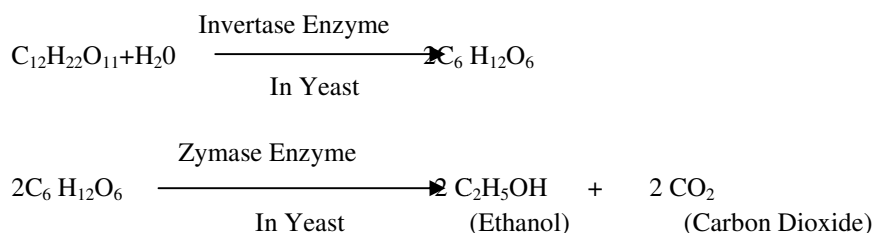
Initially, yeast is developed in the laboratory from the single cell yeast culture. In the laboratory, yeast is propagated in test tube of 10 ml. then it is transferred to a 500 ml flask & again transferred to a 5 lts flask containing the sterilized molasses solution. It is necessary to adjust PH of the molasses solution in the range of 4.5 to 5.0. It is also necessary to add nutrients such as urea, DAP etc. each stage of development of yeast from 10 ml to 500 ml to 5 liters requires 24 hours in laboratory.

On the plant side, there are again 3 stages of yeast propagation namely 100 lts, 500 lts. & 5000 lts. All these equipments are designed so as to facilitate boiling molasses solution in order to sterilize it & also cooling to bring it to proper temperature of 33 degree. Boiling, cooling, introducing etc. is done in an aseptic manner i.e. keeping the fermentation medium free from any kind of infection.

Further stages of yeast propagations are done in open tanks i.e. pre-fermenters requires about 8 hours in order to build up necessary concentration of yeast in them. Finally, the pre fermenters are emptied in empty fermenters, which is previously cleaned & kept ready, diluted molasses solution is allowed to flow in Molasses from storage tanks is transferred to weighing system. This weighed molasses is diluted with water to maintain sugar concentration at about 16 to 17% & transferred to fermentators.

Nutrients like urea/DAP/Enzymes are being added to fermenters in requisite doses. During fermentation process, yeast strains (*Saccharomyces Cerevisiae*) converts sugar present in the molasses such as sucrose or glucose to alcohol.

This transformation can be represented as under:



### **Distillation:-**

The next stage in the manufacture of alcohol is to separate alcohol fermented wash & to concentrate it to 95% alcohol called as rectified spirit. For this purpose method of distillation is employed. This system consists of the following equipments.

1. Analyzer Column
2. Wash column
3. Heads concentration column
4. Rectification column
5. Exhaust column

The distillation column consists of number of bubble-cap-plates where wash is boiled & alcoholic vapors are separated & concentrated to each plate stage by stage.



The fermented wash first enters the beer heater, which is condenser for considering alcoholic vapors' by using wash as a cooling medium. The objective of the beer heater is to recover the heat from the hot vapour of alcohol. Wash from the beer heater goes to the analyser column bottom & then goes to top plate of the wash column.

This column consists of 18 plates.

This steam is admitted through the steam sparger situated at the bottom of the column. As the steam rises up, the wash is descending from the top to the bottom of the column gets heated & by the times it reaches to the bottom plate. It contains practically no alcohol. The wash going out is called spent wash, which is discharged to the drainpipe. The vapors coming out of the wash column now consists of approximately 50% water with impurities such as higher alcohols, aldehydes, acids, sulphur dioxide etc.

A part of these vapors are led to the heads concentration column where low boiling impurities are separated from spirits, which is produced a rate of 5-10% of total production depending upon to extent of purity required & stored separately.

Other portion of the vapors', which is the major quality, is led to the rectifying column. This column consists of 44 to 52 plates, which help, in the removal of bad smelling fusel oils, which is a mixture of higher alcohol. As the vapors coming from wash column rise to the top of the rectifying column,, the concentration of alcohol goes on increasing & finally it reaches to the concentration of 95.5% alcohol.

The alcoholic vapors' from the rectified columns are condensed in the beet heater, principle condenser using water as coolant & vent condenser. The condensates of all the three condensers go back to the top of the rectifying column & un- condensed gases are let out from vent pipes. Actual product of rectified spirits drawn from the 3<sup>rd</sup> plate from the top & cooled in alcohol cooler & taken out as o product.

The fusel oil, which is a mixture of higher alcohols, is drawn from the 6<sup>th</sup> to 10<sup>th</sup> plate from the bottom of the rectifying column. Fusel oil being immiscible with water, collects at the top & is decanted through a funnel & sent to storage.

#### **Extra Neutral Alcohol (E.N.A)**

Rectified Spirit contains impurities like aldehydes, esters, higher alcohols that are not good for making quality potable alcohol for high grade liquor products like Whisky, Gin, Rum etc. Rectified Spirit is therefore re-distilled with DM (De-mineralized water) and passed through purification column, then rectifier column, condensers etc. All these equipments constitute Extra Neutral Alcohol plant.

Higher alcohols and all other impurities get separated at various temperatures and pure Extra Neutral Alcohol is collected separately and taken to storage vats. Extra Neutral Alcohol can be sold to other distilleries and bottling plants for making quality alcoholic products like Whisky, Gin, Rum etc.

#### **CAPACITY UTILISATION:-**

Particulars	Existing			Proposed		
	2013-14	2014-15	2015-2016	2016-17	2017-18	2018-19
Capacity License	1,35,00,000	1,35,00,000	1,35,00,000	1,35,00,000	2,40,00,000	2,40,00,000
Total Production (BLtr)	1,01,63,615	1,10,35,334	1,25,96,275	1,30,00,000	2,40,00,000	2,40,00,000
Capacity Utilization (in %)	75.28%	81.74%	93.30%	96.29%	100%	100%

#### **PLANT & MACHINERY:-**

We have installed sufficient Plant and Machinery for manufacturing of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol which includes Molasses Tanks, Continuous fermentation Plant, Distillation Pump section, Analyser Column, Multi Pressure Vacuum Distillation Plant, ETP Diagestor, ETP Gas Holder, Reboiler Systems, Recovery & Simmering Column, Rectifier Column, Reflux Tank, Rotameters, Co<sub>2</sub> Plant, Programmable Logic Controller.



**COLLABORATIONS/TIE UPS/ JOINT VENTURES:-**

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

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

**MARKETING:-**

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

**MARKETING STRATEGY:-**

In future we intend to focus on following marketing strategies:

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

**Marketing and Sales Approach:-**

Our Company through our Promoter & Director Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kalani is continuous focus on building relationship with existing customer to get repetitive order for supply of Spirit and increase its revenue. Also our Company focuses on supplying the product on schedule time to avoid any dissatisfaction among customers. Our directors determine the market trend and our ability to produce spirit based on past year data so as to manufacture and Supply maximum quantity of Spirit.

**COMPETITION:-**

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

- Globus Spirit Limited
- Som Distilleries Limited

**INFRASTRUCTURE & UTILITIES:-**

**Raw Materials:-**

Molasses, which is the by-product of sugar industry, is one of the major raw materials for manufacture of alcohol. The Company is situated in the neighborhood of fertile sugar belt where availability of molasses is plenty. The Molasses are procured directly from the neighboring Sugar mills, and also through dealers at competitive prices.

**Power:-**

The requirement of power for our operations, like power for running distillation and operating the machinery/equipment is met through Maharashtra State Electricity Distribution Company Limited for both the Units. In addition, the company has installed DG Sets with capacity of 600 KVA as standby arrangement and we also generate our own electricity from turbine which is used in case of need/shutdown or requirement of additional power.



**Water:-**

Water requirement is high and is procured through irrigation department through canal and locally by way of existing water supply network in that area.

**Human Resource:-**

As on May 31, 2016 our Company has 51 employees. Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Further our company hires casual worker for factory on contract. Our manufacturing processes include skilled/ semi-skilled/ unskilled resources together with our strong management team have enabled us to successfully implement our growth plans.

**PROPERTY:-**

**Intellectual Property:-**

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

S.No.	Domain Name and ID	Sponsoring Registrar and IANA ID	Creation Date	Registration Expiry Date
1.	<a href="http://www.aurangabaddistillery.com">www.aurangabaddistillery.com</a> Domain Id – 2035575658_DOMAIN_COM-	Registrar – GoDaddy.com, LLC IANA Id - 146	June 15, 2016	June 15, 2021

**IMMOVABLE PROPERTY:-**

Details of our properties are as follows: -

**Registered Office and factory:-**

S. No.	Details of the Property	Use	Owned/ Leased/ License	Licensor / Lessor / Vendor	Consideration/ Lease Rental/ License Fees
<b>REGISTERED OFFICE</b>					
1.	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India	Registered Office of the Company	Leased	Licensor-Karda Construction Limited through its Director Mr. Naresh Jagumal karda	The said premises has been taken on lease from Karda Constructions Limited vide Leave and Licence Agreement dated August 01, 2016 for a period of 5 years for a consideration of Rs. 3,000 p.m. (Rupees Three Thousand per month)
<b>CORPORATE OFFICE &amp; FACTORY</b>					
1.	Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India	Factory and Corporate Office	Owned	Vendors- M/s Ashok Alcochem Limited, Mr. Anil Manilal Kadakia & Mr. Pankaj Manilal Kadakia	Sale Deed dated June 17 <sup>th</sup> , 2005 between Aurangabad Distillery Private Limited and M/s Ashok Alcochem Limited, Mr. Anil Manilal Kadakia & Mr. Pankaj Manilal Kadakia for area admeasuring about 43,040 sq ft. for consideration of Rs. 9,00,00,000/- (Rupees Nine Crores only)



## INSURANCE:-

We believe and we maintain adequate insurance policies for our moveable and immoveable properties. We have obtained Standard Fire & Special Perils Insurance Policy, Key Man Insurance Policy, Private Car Enhancement Cover Policy and Private Car Package Insurance Policy for our immoveable properties, officers and vehicles. We generally maintain insurance covering our assets and operations at levels that we believe to be appropriate.

The insurers of the Company are:

1. The New India Assurance Co. Ltd
2. HDFC ERGO General Insurance Company Limited
3. Life Insurance Corporation of India

The details of the Insurance Policies taken by the company are as follows:

### A. For Corporate office & Factory Located at Gat No. 45, 47, 48 & 50 at Rangaon, P.O Walchandnagar, TQ Indapur, Dist- Pune, Pune- 411001 Maharashtra, India

S. No.	Policy No.	Name of the Insurer	Description of the Policy and Property	Assets insured/ Risk Covered	Sum Insured /IDV	Premium Paid (Rs)	Period From	Period To
1.	16050 01115 01000 00839	The New India Assurance Co. Ltd	<b><u>Standard Fire &amp; Special Perils Policy</u></b> 1. Factory and Office Building Incl Plinth & Foundation, Compound Wall. 2. Boiler with its spares & Accessories, ETP, Molasses Tank & Allied items Incl Plinth and Foundation 3. Plant and Machinery with its spare, Accessories, Electrical Installation, Office Equipments, Computers, F/F/F & Allied Items.	Earthquake (Fire and Shock) (Add On 1009) Terrorism (Add on 1017)	Rs. 45,35,00,000	2,47,270	01/02/2016	31/01/2017
2.	16050 01115 01000 00840	The New India Assurance Co. Ltd	<b><u>Standard Fire &amp; Special Perils Policy</u></b> 1. On Building of Office, staff qtr., Store Room Incl Compound Walls Plinth & Foundation.	Earthquake (Fire and Shock) (Add On 1009) Terrorism (Add on 1017)	Rs 40,50,000	2,208	01/02/2016	31/01/2017



3.	16050 01115 01000 00841	The New India Assurance Co. Ltd	<b>Standard Fire &amp; Special Perils Policy</b> 1. On stock of all types such as (Finished, Semi Finished, Raw) Molasses, Alcohol, Baggasse, Store Material and or Allied Goods including Goods in Trust pertaining to Insured's Trade.	Earthquake 1. (Fire and Shock) (Add On 1009) 2. Spontane ous Combusti on (Add On 1007) 3. Terroris m (Add on 1017)	Rs. 10,40,0 0,000	80521	16/02/2016	15/02/2017
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#### VEHICLE INSURANCES

S. No.	Policy No.	Insurance Co.	Particulars	Vehicle No.	Sum Insured (in Rs.)	Premium (in Rs.)	Period From	Period To
1.	2311 2012 6355 4400 000	HDFC ERGO General Insurance Company Limited	BMW	JH-05- AW- 2727	24,30,000	47,256	06/12/2015	05/12/2016
2.	2311 2012 6202 2800 001	HDFC ERGO General Insurance Company Limited	BMW	JH-05- AX-3636	24,30,000	45,373	05/12/2015	04/12/2016

#### KEY MAN INSURANCES

S. No.	Policy No.	Insurance Company	Particulars	Date of commencement	Sum Insured (in Rs.)	Installment Premium payable (in Rs.)	Date of maturity
1.	904740570	Life Insurance Corporation of India	Dharampal Kimatram Kalani	12/12/2012	91,00,000	5,32,015	12/12/2032
2.	904739303	Life Insurance Corporation of India	Ratansingh Triloksingh Sethi	23/08/2012	37,50,000	2,37,962	23/08/2032
3.	904740905	Life Insurance Corporation of India	Ratansingh Triloksingh Sethi	12/12/2012	7,50,000	47,592	12/12/2032
4.	904739304	Life Insurance Corporation of India	Jagjitkaur Amardeep singh Sethi	23/08/2012	39,55,000	2,35,319	23/08/2032
5.	904740904	Life Insurance Corporation of India	Jagjitkaur Amardeep singh Sethi	28/12/2012	5,50,000	32,367	28/12/2032





***Aurangabad Distillery Limited***

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The Company certifies that there are no claims pending or likely to be made by it in respect of any of the policies taken by it from any insurer. The Company also certifies that there is no dispute with any insurer or third party or beneficiary or any other person with regard to any policy or claim or of any nature or manner whatsoever.



## **KEY INDUSTRIAL REGULATIONS AND POLICIES**

### **INDUSTRIAL LAWS**

#### ***The Factories Act, 1948***

The Factories Act, 1948 (“**Factories Act**”) seeks to regulate labour employed in factories and makes provisions for the safety, health and welfare of the workers. "Factory" means any premises including the precincts thereof- (i) whereon ten or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on with the aid of power, or (ii) whereon twenty or more workers are working, or were working on any day of the preceding twelve months, and in any part of which a manufacturing process is being carried on without the aid of power. An occupier of a factory under the Factories Act, means the person who has ultimate control over the affairs of the factory. The occupier or manager of the factory is required to obtain a registration for the factory. The Factories Act also requires inter alia the maintenance of various registers dealing with safety, labour standards, holidays and extent of child labour including their conditions. Further, notice of accident or dangerous occurrence in the factory is to be provided to the inspector by the manager of the factory.

#### ***Indian Boilers Act, 1923***

Indian Boilers Act, 1923 (“**IB Act**”) regulates that use of boilers used for generating steam under pressure. It prohibits the use of boilers without obtaining registration under the IB Act. No structural alteration, addition, renewal can be made to the boilers without obtaining the written permission of the Chief Inspector appointed under the IB Act. In the event of an accident involving the boiler, the owner is required to notify the Inspector within 24 (twenty-four) hours of the occurrence of such accident. In the event, any owner makes use of a boiler without obtaining a certificate under the IB Act or without obtaining a provisional order authorizing use of the boiler, then the owner would be punishable to pay fine extending to Rs.500/- and in the case of a continuing offence, with an additional fine which may extend to Rs.100/- each day for a continuing offence.

#### ***Explosives Act, 1884***

This is a comprehensive law which regulates the manufacture, possession, sale, transportation, exportation and importation of explosives. As per the definition under the Act, an explosive includes any substance, whether a single chemical compound or a mixture of substances, whether solid or liquid or gaseous, used or manufactured with a view to produce a practical effect by explosion or pyrotechnic. The Government may also by notification declare that any substance, which appears to be specifically dangerous to life or property, by reason either of its explosive properties or of any process in the manufacture thereof being liable to explosion, as an explosive within the meaning of the Act. The Act requires that licenses are to be obtained for the manufacture, possession, use, sale, transport and importation of explosives.

#### ***The Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the “Legal Metrology Act”) has come into effect after its publication in the Official Gazette on January 14, 2010 and has been operative since March 1, 2011. The Legal Metrology Act replaces Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks 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.

The key features of the Legal Metrology Act are:

- Appointment of Government approved test centres for verification of weights and measures;
- Allowing the companies to nominate a person who will be held responsible for breach of provisions of the Legal Metrology Act; and
- Simplified definition of packaged commodity and more stringent punishment for violation of provisions



### ***The Industrial Disputes Act, 1947***

The Industrial Disputes Act, 1947 (the “IDA”) was enacted to make provision for investigation and settlement of industrial disputes and for other purposes specified therein. Workmen under the IDA 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. Employees may also be subject to the terms of their employment contracts with their employer, which contracts are regulated by the provisions of the Indian Contract Act, 1872. The IDA also sets out certain requirements in relation to the termination of the services of the workman. The IDA includes detailed procedure prescribed for resolution of disputes with labour, removal and certain financial obligations up on retrenchment.

### ***Electricity Act, 2003***

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

### ***Industrial (Development and Regulation) Act, 1955***

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

## **ENVIRONMENTAL LAWS**

### ***Environment Protection Act, 1986***

The Environmental Protection Act, 1986 (“EPA”) provides for the protection and improvement of the environment. “Environment” is defined to include water, air and land and the interrelationships which exist among water, air and land, and human beings and other living creatures, plants, micro-organisms and property. Any solid, liquid or gaseous substance present in such concentration as may/tend to be injurious to the environment is a “pollutant”. The Central Government has the power to take all such measures as it deems necessary for protecting the environment and improving its quality. No person carrying on any industry, operation or process shall discharge or emit any environmental pollutant in excess of such standards as may be prescribed. Whoever fails to comply with the provisions of the Act shall be punishable with imprisonment for a term extending to five years or fine extending to one lakh rupees, or with both. If the person committing the offence is a company, the company as well as every person in charge of its conduct at the time of the commission of the offence shall be deemed to be guilty and prosecuted accordingly. The EPA also inter-alia requires submission of an environment statement in the prescribed manner.

### ***Water (Prevention and Control of Pollution) Act, 1974***

The Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”) provides for the prevention and control of water pollution, the maintaining or restoring of wholesomeness of water, and for the establishment of Boards for the prevention and control of water pollution. “Pollution” means such contamination of water or such alteration of the physical, chemical or biological properties of water or such discharge of any sewage or trade effluent or of any other liquid, gaseous or solid substance into water (whether directly or indirectly) as may, or is likely to, create a nuisance or render such water harmful or injurious to public health or safety, or to domestic, commercial, industrial, agricultural or other legitimate uses, or to the life and health of animals or plants or of aquatic organisms. The Water Act provides for the constitution of Central, State and Joint Boards and shall perform such functions or give such directions as need be. No person shall, without the previous consent of the State Board establish or take any steps to establish any industry, operation or process, or any treatment and disposal system, which is likely to



discharge sewage or trade effluent into a stream or well or sewer or on land. The State Board or any officer empowered by it in that behalf, may make surveys of any area and keep records of the flow or volume of a stream or well in such area. The State Board shall also have power to take samples of water for any analysis. The Act provides for penalties for contravention of its provisions.

***Water (Prevention and Control of Pollution) Cess Act, 1977, as amended (the “Water Cess Act”)***

The Water Cess Act provides for levy and collection of a cess on water consumed by industries with a view to augment the resources of the Central and State Pollution Control Boards constituted under the Water Act. Under this statute, every person carrying on any industry is required to pay a cess calculated on the basis of the amount of water consumed for any of the purposes specified under the Water Cess Act at such rate not exceeding the rate specified under the Water Cess Act. A rebate of up to 25% on the cess payable is available to those persons who install any plant for the treatment of sewage or trade effluent, provided that they consume water within the quantity prescribed for that category of industries and also comply with the provision relating to restrictions on new outlets and discharges under the Water Act or any standards laid down under the EPA. For the purpose of recording the water consumption, every industry is required to affix meters as prescribed. Penalties for noncompliance with the obligation to furnish a return and evasion of cess include imprisonment of any person for a period up to six months or a fine of ₹ 1,000 or both and penalty for non-payment of cess within a specified time includes an amount not exceeding the amount of cess which is in arrears.

***Air (Prevention and Control of Pollution) Act, 1981***

The Air (Prevention and Control of Pollution) Act, 1981 (“**Air Act**”) provides for the prevention, control and abatement of air pollution, and for the establishment of Boards and assignment of powers and functions to them. As per this act, “air pollutant” means any solid, liquid or gaseous substance (including noise) present in the atmosphere in such concentration as may be or tend to be injurious to human beings or other living creatures or plants or property or environment. The Central and State Pollution Control Boards are to exercise powers and performs functions under this Act also. No person shall without the previous consent of the State Board, establish or operate any industrial plant in an air pollution control area. No person operating any industrial plant, in any air pollution control area shall discharge or cause or permit to be discharged the emission of any air pollutant in excess of the standards laid down by the State Board. Where in any area the emission of any air pollutant occurs or is apprehended to occur in excess of the standards laid down, the person in charge of the premises shall forthwith intimate such fact to the State Board. The State Board may call for any information and shall have the right to inspect the premises for the purpose of verifying the correctness of such information. The Act provides for penalties for contravention of its provisions.

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

The Noise Regulation Rules regulate noise levels in industrial (75 decibels), commercial (65 decibels) and residential zones (55 decibels). The Noise Regulation Rules also establish zones of silence of not less than 100 meters near schools, courts, hospitals, etc. The rules also assign regulatory authority for these standards to the local district courts. Penalty for non-compliance with the Noise Regulation Rules shall be under the provisions of the Environment (Protection) Act, 1986.

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

These rules stipulate provisions for proper collection, reception, transport, treatment, storage and disposal of hazardous waste. Any waste, which by virtue of any of its physical, chemical, reactive, toxic, flammable, explosive or corrosive characteristics causes danger or is likely to cause danger to health or environment, whether alone or when in contact with other wastes or substances has been defined as “hazardous waste” and includes wastes generated mainly from the processes referred under Schedule-I of the said Rules. In addition, some wastes become hazardous by virtue of concentration limits as well as hazardous characteristics listed under Schedule -II of the said Rules. It also includes the wastes specified in Parts A and B of Schedule-III in respect of import or export of such wastes and other wastes possessing hazardous characteristics specified in Part C of Schedule-III. These rules do not apply to waste-water and exhaust gases as covered under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1981) and the rules made thereunder. Every person who is engaged in generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or the like of the hazardous waste shall require to obtain an authorization by applying to the State Pollution Control Board in the prescribed form. Such authorization shall be valid for a period of five years and shall be



subject to such conditions as may be laid down therein. Every person authorized under these rules shall maintain the record of hazardous wastes handled by him and prepare and submit to the Board, an annual return of the same. The occupier shall take all adequate steps while handling hazardous wastes to (i) contain contaminants and prevent accidents and limit their consequences on human beings and the environment; and (ii) provide persons working on the site with the training, equipment and the information necessary to ensure their safety.

## **INTELLECTUAL PROPERTY**

### ***Trademarks Act, 1999***

Under the Trademarks Act, 1999, a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A 'mark' may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colours or any combination thereof. Section 18 of the Trademarks Act requires that any person claiming to be the proprietor of a trade mark used or proposed to be used by him, must apply for registration in writing to the registrar of trademarks. The trademark, once applied for and which is accepted by the Registrar of Trademarks ("the Registrar"), is to be advertised in the trademarks journal by the Registrar. Oppositions, if any, are invited and, after satisfactory adjudications of the same, a certificate of registration is issued by the Registrar. 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 10 years, which may be renewed for similar periods on payment of a prescribed renewal fee.

## **TAX LAWS**

### ***State laws governing general sales tax.***

As a consequence of the enactment of the Value Added Tax Act, in most of the states in India, the General Sales Tax Act, 1959 has been rendered redundant, since only one of the legislations can operate in the State. The Maharashtra Value Added Tax Act, 2002 has been in force in the state of Maharashtra from the 1st April 2005.

### ***Value Added Tax ("VAT")***

VAT is a system of multi-point levy on each of the purchases in the supply chain with the facility of set-off input tax on sales whereby tax is paid at the stage of purchase of goods by a trader and on purchase of raw materials by a manufacturer. VAT is based on the value addition of goods, and the related VAT liability of the dealer is calculated by deducting input tax credit for tax collected on the sales during a particular period. VAT is a consumption tax applicable to all commercial activities involving the production and distribution of goods and the provisions of services, and each state that has introduced VAT has its own VAT Act, under which, persons liable to pay VAT must register and obtain a registration number from Sales Tax Officer of the respective State.

### ***Central Sales Tax Act, 1956***

The CST Act formulates principles for determining (a) when a sale or purchase takes place in the course of inter-state trade or commerce; (b) when a sale or purchase takes place outside a State and (c) when a sale or purchase takes place in the course of imports into or export from India. This Act provides for levy, collection and distribution of taxes on sales of goods in the course of inter-state trade or commerce and also declares certain goods to be of special importance in inter-State trade or commerce and specifies the restrictions and conditions to which State laws imposing taxes on sale or purchase of such goods of special importance (called as declared goods) shall be subject. Central Sales tax is levied on inter State sale of goods. Sale is considered to be inter-state when (a) sale occasions movement of goods from one State to another or (b) is effected by transfer of documents during their movement from one State to another.

A sale or purchase of goods shall be deemed to take place in the course of inter-state trade or commerce if the sale or purchase is affected by a transfer of documents of title to the goods during their movement from one state to another. When the goods are handed over to the carrier, he hands over a receipt to the seller. The seller sends the receipt to buyer. The buyer gets delivery of



goods on submission of the receipt to the carrier at other end. The receipt of carrier is 'document of title of goods'. Such document is usually called Lorry Receipt (LR) in case of transport by Road or Air Way Bill (AWB) in case of transport by air. Though it is called Central Sales Tax Act, the tax collected under the Act in each State is kept by that State only. Central Sales Tax is payable in the State from which movement of goods commences (that is, from which goods are sold). The tax collected is retained by the State in which it is collected. The Central Sales Tax Act is administered by sales tax authorities of each State. The liability to pay tax is on the dealer, who may or may not collect it from the buyer.

#### ***Central Excise Act, 1944***

Excise duty imposes a liability on a manufacturer to pay excise duty on production or manufacture of goods in India. The Central Excise Act, 1944 is the principal legislation in this respect, which provides for the levy and collection of excise and requires every person who produces, manufactures, carries on trade, holds private store-room or warehouse or otherwise uses excisable goods, to obtain registration thereunder. Additionally, the Central Excise Tariff Act, 1985 prescribes the rates of excise duties for various goods. The Central Excise Rules, 2002 provides the manner of payment of the central excise duty as well as the rebate and remission provisions.

#### ***Income Tax Act, 1961***

The Income-tax Act, 1961 ("**IT Act**") is applicable to every Company, whether domestic or foreign whose income is taxable under the provisions of the IT 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. Every company assessable to income tax under the IT Act is required to comply with the provisions thereof, including those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like.

#### ***Service Tax***

Chapter V of the Finance Act, 1994 as amended, provides for the levy of a service tax in respect of 'taxable services', defined therein. The service provider of taxable services is required to collect service tax from the recipient of such services and pay such tax to the Government. Every person who is liable to pay this service tax must register himself with the appropriate authorities. According to Rule 6 of the Service Tax Rules, every assessee is required to pay service tax in TR 6 challan by the 6th of the month immediately following the month to which it relates. Further, under Rule 7 (1) of Service Tax Rules, the company is required to file a quarterly return in Form ST 3 by the 25th of the month immediately following the half year to which the return relates. Every assessee is required to file the quarterly return electronically.

#### ***Professional Tax***

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

#### ***Approvals from Local Authorities***

Setting up of a factory or manufacturing/Housing unit entails the requisite Planning approvals to be obtained from the relevant Local Panchayat(s) outside the city limits and appropriate Metropolitan Development Authority within the city limits. Consents





from the state Pollution Control Board(s), the relevant state Electricity Board(s), the State Excise Authorities, Sales Tax, are required to be obtained before commencing the building of a factory or the start of manufacturing operations.

## **STATE LAWS GOVERNING LABOUR WELFARE FUNDS**

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

### ***Contract Labour (Regulation and Abolition) Act, 1970***

The Contract Labour (Regulation and Abolition) Act, 1970 (“**CLRA**”) regulates the employment of contract labour in certain establishments and to provides for its abolition in certain circumstances. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. “Establishment” means any place where any industry, trade, business, manufacture or occupation is carried on. Further, it contains provisions regarding constitution of Central and State Advisory Boards to carry out the functions of the Act. Every principal employer to whom this Act applies has to make an application to the registering officer as appointed by the Government. The appropriate Government shall notify in the Official Gazette the establishments in which employment of contract labour is prohibited in any process, operation or other work. 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. A “contractor” has been defined as “in relation to an establishment, means a person who undertakes to produce a given result for the establishment, other than a mere supply of goods or articles of manufacture to such establishment, through contract labour for any work of the establishment and includes a sub-contractor”. If a person contravenes the provisions of the Act or the rules thereunder he shall be punishable with imprisonment for a term which may extend to three months or with fine which may extend to one thousand rupees, or with both. If the person committing the offence is a company, the company as well as every person in charge of its conduct at the time of the commission of the offence shall be deemed to be guilty and prosecuted accordingly.

### ***Payment of Wages Act, 1936 ("Wages Act")***

The Payment of Wages Act applies to the persons employed in the factories and to persons employed in industrial or other establishments where the monthly wages payable to such persons is less than Rs. 1600/-. The Act confers on the person(s) responsible for payment of wages certain obligations with respect to the maintenance of registers and the display in such factory/establishment, of the abstracts of this Act and Rules made there under.

### ***The Minimum Wages Act, 1948 ("Minimum Wages Act")***

The Minimum Wages Act, 1948 was enacted to provide for minimum wages in certain employments. Under this Act, the Central and the State Governments are the authorities to stipulate the scheduled employment and to fix minimum wages. The Act contains list of Agricultural and Non Agricultural employment where the prescribed minimum rate of wages is to be paid to the workers. The minimum wages are calculated and fixed based on the basic requirement of food, clothing, housing required by an average Indian adult.

### ***Employees (Provident Fund and Miscellaneous Provisions) Act, 1952***

The Act is applicable to factories employing more than 20 employees and may also apply to such establishments and industrial undertakings as notified by the Government from time to time. All the establishments under the Act are required to be registered with the Provident Fund Commissioners of the State. Also, in accordance with the provisions of the Act the employers are required to contribute to the Employees' Provident Fund the prescribed percentage of the basic wages, dearness allowances and remaining allowance (if any) payable to the employees. The employee shall also be required to make the equal contribution to the fund. As per the provision of the Act, employers are to contribute 12% of the basic wages, dearness allowances and remaining





allowances (if any) payable for the time being to the employees. A monthly return in Form 12 A is required to be submitted to the commissioner in addition to the maintenance of registers by the employers.

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

A terminal lump sum benefit paid to a worker when he or she leaves employment after having worked for the employer for a the prescribed minimum number of years is referred to as "gratuity". The provisions of the Act are applicable to all the factories. The Act provides that within 30 days of opening of the establishment, it has to notify the controlling authority in Form A and thereafter whenever there is any change in the name, address or change in the nature of the business of the establishment a notice in Form B has to be filed with the authority. The Employer is also required to display an abstract of the act and the rules made there-under in Form U to be affixed at the or near the main entrance. Further, every employer has to obtain insurance for his liability towards gratuity payment to be made under Payment of Gratuity Act 1972, with Life Insurance Corporation or any other approved insurance fund.

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

The Payment of Bonus Act, 1965 is applicable to every establishment employing 20 or more employees. The said Act provides for payment of the minimum bonus to the employees specified under the Act. It further requires the maintenance of certain books and registers such as the register showing computation of the allocable surplus; the register showing the set on & set off of the allocable surplus and register showing the details of the amount of Bonus due to the employees. Further it also require for the submission of Annual Return in the prescribed form (FORM D) to be submitted by the employer within 30 days of payment of the bonus to the Inspector appointed under the Act.

#### ***Contract Labour (Regulation and Abolition) Act, 1970***

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

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

The Constitution of India provides for equal pay for equal work for both men and women. To give effect to this provision, the Equal Remuneration Act, 1976 was implemented. The Act provides that no discrimination shall be shown on the basis of sex for performing similar works and that equal remuneration shall be paid to both men and women when the same work is being done.

#### ***The Maternity Benefit Act, 1961("Maternity Act") and Maharashtra Maternity Benefit Rules, 1965***

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.

#### ***Equal Remuneration Act, 1976***

Equal Remuneration Act, 1976 provides for payment of equal remuneration to men and women workers and for prevention discrimination, on the ground of sex, against female employees in the matters of employment and for matters connected therewith and incidental thereto. If the employer contravenes the provisions of the Act, he shall be liable to punishment.

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

The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("SHWW Act") provides for the protection of women at work place and prevention of sexual harassment at work place. The SHWW Act also provides for a redressal mechanism to manage complaints in this regard. Sexual harassment includes one or more of the following acts or



behavior namely, physical contact and advances or a demand or request for sexual favors or making sexually coloured remarks, showing pornography or any other unwelcome physical, verbal or non-verbal conduct of sexual nature. The SHWW Act makes it mandatory for every employer of a workplace to constitute an Internal Complaints Committee which shall always be presided upon by a woman. It also provides for the manner and time period within which a complaint shall be made to the Internal Complaints Committee i.e. a written complaint is to be made within a period of 3 (three) months from the date of the last incident. If the establishment has less than 10 (ten) employees, then the complaints from employees of such establishments as also complaints made against the employer himself shall be received by the Local Complaints Committee. The penalty for non-compliance with any provision of the SHWW Act shall be punishable with a fine extending to Rs. 50,000/- only.

## **BUSINESS LAWS:**

### ***Companies Act, 2013***

The Companies Act, 2013, has been introduced to replace the existing Companies Act, 1956 in a phased manner. The Ministry of Corporate Affairs has vide its notification dated September 12, 2013 has notified 98 Sections of the Companies Act, 2013 and the same are applicable from the date of the aforesaid notification. A further 183 Sections 110 have been notified on March 26, 2014 and have become applicable from April 1, 2014. The Companies (Amendment) Act, 2015 has inter-alia amended various Sections of the Companies Act, 2013 to take effect from May 29, 2015. Further, vide the Companies (Amendment) Act, 2015, Section 11 of the Companies Act, 2013 has been omitted and Section 76A has been inserted in the Companies Act, 2013. 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.

### ***Companies Act, 1956***

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

## **OTHER LAWS**

### ***Registrations under the applicable Shops & Commercial Establishments Acts of the respective States in which the Company has an established place of business/ office ("Shops Act")***

The Shops Act provides for the regulation of conditions of work in shops, commercial establishments, restaurants, theatres and other establishments. The Act is enforced by the Chief Inspector of Shops (CIS) and various inspectors under the supervision and control of Deputy/Assistant Labour Commissioners of the concerned District, who in turn functions under the supervision of Labour Commissioner.

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

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

### ***Competition Act, 2002***

The Competition Act, 2002 “prohibits anti competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority



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

### **Indian Contract Act, 1872**

Indian Contract Act codifies the way we enter into a contract, execute a contract, implement provisions of a contract and effects of breach of a contract. The Act consists of limiting factors subject to which contract may be entered into, executed and breach enforced as amended from time to time. It determines the circumstances in which promise made by the parties to a contract shall be legally binding on them. Each contract creates some right and duties upon the contracting parties. Indian contract deals with the enforcement of these rights and duties upon the parties. The Indian Contract Act also lays down provisions of indemnity, guarantee, bailment and agency. Provisions relating to sale of goods and partnership which were originally in the act are now subject matter of separate enactments viz., the Sale of Goods Act and the Indian Partnership Act.

### ***The Specific Relief Act, 1963 (“Specific Relief Act”)***

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

### ***Negotiable Instruments Act, 1881***

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

### ***The Registration Act, 1908 (“Registration Act”)***

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

### ***Indian Stamp Act, 1899(the “Stamp Act”)***

Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title or interest in immoveable property. The **Stamp Act** provides for the imposition of stamp duty at the



specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state.

Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

***The Indian Easements Act, 1882(“IE Act”)***

The law relating to easements and licenses in property is governed by the Easements Act, 1882 (“**IE Act**”). The right of easement has been defined under the Easements Act to mean a right which the owner or occupier of any land possesses over the land of another for beneficial enjoyment of his land. Such right may allow the owner of the land to do and continue to do something or to prevent and continue to prevent something being done, in or upon any parcel of land which is not his own. Easementary rights may be acquired or created by (a) an express grant; or (b) a grant or reservation implied from a certain transfer of property; or (c) by prescription, on account of long use, for a period of twenty years without interruption; or (d) local customs.

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

The law relating to the sale of goods is codified in the Sale of Goods Act, 1930. It defines sale and agreement to sell as a contract whereby the seller transfers or agrees to transfer the property in goods to the buyer for a price and provides that there may be a contract of sale between part owner and another and that the contract of sale may be absolute or conditional. According to the provisions of this Act, a contract of sale is made by an offer to buy or sell the goods for a price and the acceptance of such offer. The Act further provides that the contract may provide for the immediate delivery of the goods or immediate payment of the price or both or for the delivery or payment by instalments or that the delivery or payment or both shall be postponed. Provisions are made in this Act for existing or future goods, perishable goods, ascertainment of price, conditions and warranties, effects of the contract, delivery to courier, duties of seller and buyer, buyer’s right of examining the goods, liability of buyer for neglecting or refusing the delivery of goods, rights of unpaid seller, suits for breach of the contract, sale, etc.



## **HISTORY AND CERTAIN CORPORATE MATTERS**

### **Our History and Background**

Our Company was originally incorporated as Aurangabad Distillery Private Limited on August 03, 2000 under the provisions of Companies Act, 1956 with Registrar of Companies, Mumbai, Maharashtra, vide CIN: U55000MH2000PTC128084. Further, pursuant to Special resolution passed by the Shareholders, at the Extra Ordinary General Meeting held on May 19, 2016 Company was converted into Public Limited Company and consequently name of Company was changed from “Aurangabad Distillery Private Limited” to “Aurangabad Distillery Limited” and a fresh certificate of incorporation vide CIN No. U55000MH2000PLC128084 was issued by the Registrar of Companies, Mumbai, Maharashtra on June 7, 2016.

Our Company was originally promoted by Sadhuram Patladhamal Wadhwani, Manoj Sadhuram Wadhwani and Kiran Sanjay Wadhwani who were the original/initial subscribers to the Company’s Memorandum and Articles of Association in the year 2000. Later in the year 2005 our Company purchased a Distillery unit at Rangaon, Walchandnagar, Maharashtra by entering into an Agreement for sale dated June 17, 2005 with Ashok Alcochem Limited, Anil Manilal Kadakia and Pankaj Manilal Kadakia and started its production in 2005. At the end of year 2005, the Company was taken over by Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mrs. Jagjitkaur Amardeepsingh Sethi and Mr. Kanyalal Kimatram Kalani who are the present promoters of our Company.

In the year 2013-14 Aditya Petro Chemicals (India) Private Limited amalgamated with Our Company by the order of the High Court under sections 391 to 394 of the Companies Act, 1956 vide order No. 14482 and Company Petition No. 307 of 2013 dated July 26, 2013.

### **Address of Registered Office, Corporate office & Factory**

<b>Registered Office</b>	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India E-mail: <a href="mailto:info@aurangabaddistillery.com">info@aurangabaddistillery.com</a> Website: <a href="http://www.aurangabaddistillery.com">www.aurangabaddistillery.com</a>
<b>Corporate &amp; Factory Address</b>	Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India Tel. No. +91-02118-252504, +91-02118-252507 E-mail: <a href="mailto:info@aurangabaddistillery.com">info@aurangabaddistillery.com</a> Website: <a href="http://www.aurangabaddistillery.com">www.aurangabaddistillery.com</a>

### **Changes in the Registered Office:**

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of this Prospectus for better operational efficiency and administrative convenience.

<b>From</b>	<b>To</b>	<b>With Effect From</b>	<b>Reason for Change</b>
9, Wadhwani Complex Netaji Chowk, Yavatmal Maharashtra-443001 India	560, Preeti Apartment, 1 <sup>st</sup> Floor, 18th Road, Next to Laxminarayan Mandir, Khar West, Mumbai, Maharashtra-400052, India	November 20, 2006	Due to the change in management
560, Preeti Apartment, 1 <sup>st</sup> Floor, 18th Road, Next to Laxminarayan Mandir, Khar West, Mumbai, Maharashtra-400052, India	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India	August 01, 2016	Better Operational Efficiency and Administrative Convenience



**Key Events and Mile Stones:**

Year	Key Events / Milestone
2000	Incorporation of the Company in the name and style of “Aurangabad Distillery Private Limited”
2005	Purchase of Distillery Unit at Walchandnagar, Taluka Indapur, Dist Pune
2005	Starting Commercial Production for Manufacturing of Spirits at Walchandnagar Unit
2005	Company was taken over by Present Promoters
2006	Change in registered Office of our Company from 9, Wadhvani Complex Netaji Chowk, Yavatmal Maharashtra-443001 India to 560, Preeti Apartment, 1 <sup>st</sup> Floor, 18 <sup>th</sup> Road, Next to Laxminarayan Mandir, Khar West, Mumbai, Maharashtra-400052, India due to change in Management of Company
2013	Amalgamation of Aditya Petro Chemicals (India) Private Limited with our Company
2016	Conversion of our Company from Private Limited to Public Limited Company.
2016	Change in registered Office of our Company from 560, Preeti Apartment, 1 <sup>st</sup> Floor, 18 <sup>th</sup> Road, Next to Laxminarayan Mandir, Khar West, Mumbai, Maharashtra-400052 to UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India for better operational efficiency and administrative convenience

**Our Main Object**

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

1. To carry on the business of Wine & Liquor Manufacturing, Marketing, Purchase and Sale thereof either wholesale or retail and to run Business of Distilleries or Breweries, to manufacture, wine spirits and Brew Beer, mineral waters, aerated waters, drinkables and other liquids and processed items of every description and to carry on business of toddy and other liquor and toddy operations thereof and to run permit rooms within the republic of India.

**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:

Sr. No.	Particulars	Date of Meeting	Type of Meeting
1.	Authorized Capital of Rs. 5,00,000 divided into in 50,000 Equity Shares of Rs.10/- each.	Incorporation	-
2.	Increase in the authorized share capital of the Company from Rs.5,00,000 divided into 50,000 Equity Shares of Rs.10/- each to Rs.20,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each.	March 17, 2008	EGM
3.	Increase in the authorized share capital of the Company from Rs. 2,00,00,000 divided into 20,00,000 Equity Shares of Rs.10/- each to Rs. 2,10,00,000 divided into 21,00,000 Equity Shares of Rs.10/- each.	August 08, 2013	In Pursuant to Scheme of Amalgamation of Aditya Petro Chemicals (India) Private Limited
4.	Increase in the authorized share capital of the Company from Rs. 2,10,00,000 divided into 21,00,000 Equity Shares of Rs.10/- each to Rs. 9,00,00,000 divided into 90,00,000 Equity Shares of Rs. 10/- each.	May 19, 2016	EGM
5.	Conversion of our Company from Private Limited to Public Limited Company. Consequently name of the Company has been changed from Aurangabad Distillery Private Limited to Aurangabad Distillery Limited and a fresh Certificate of Incorporation dated June 07, 2016 bearing CIN U55000MH2000PLC128084 was issued by Registrar of Companies, Maharashtra, Mumbai.	May 19, 2016	EGM





### **Other Details about of our Company**

For details of our Company's activities, products, growth, technology, marketing strategy, competition and our customers, please see "*Our Business*", "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" and "*Basis for Issue Price*" on pages 104, 204 and 80 respectively of this Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoters, please refer to sections titled "*Our Management*" and "*Capital Structure*" beginning on pages 132 and 54 of this Prospectus respectively.

### **Acquisition of Business/ Undertakings & Amalgamation**

Our Company has acquired a distillery unit at Rangaon, Walchandnagar, Maharashtra by entering into an Agreement for sale dated June 17, 2005 with Ashok Alcochem Limited, Anil Manilal Kadakia and Pankaj Manilal Kadakia. Further, Aditya Petro Chemicals (India) Private Limited amalgamated with Our Company by the order of the High Court under sections 391 to 394 of the Companies Act, 1956 vide order No. 14482 and Company Petition No. 307 of 2013 dated July 26, 2013 and the same has been approved by the high court of Bombay by issuing a certified copy of order dated August 08, 2013.

### **Holding Company**

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

### **Details of Subsidiaries**

As on the date of this Prospectus, our Company doesn't have any subsidiary company.

### **Adopting New Articles of Association of the Company**

Our Company has adopted a new set of Articles of Association pursuant to the provisions of Section 14 of the Companies Act, 2013, in the Extra Ordinary General Meeting of the Company held on May 19, 2016.

### **Capital raising through equity or debt**

For details in relation to our capital raising activities through equity, please refer to the chapter titled "*Capital Structure*" beginning on page 54 of this Prospectus. For details on the debt facilities of our Company, see section "*Statement of Financial Indebtedness*" on page 201 of this Prospectus.

### **Time and Cost Overruns in setting up projects**

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

### **Injunctions or Restraining Orders**

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

### **Revaluation of Assets**

Our company has not revalued its assets since incorporation.

### **Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks and Conversion of loans into Equity Shares**

There have been no defaults or rescheduling of borrowings with financial institutions/banks as on the date of this Prospectus. Furthermore, none of the Company's loans have been converted into equity in the past.





### **Strikes and Lock-outs**

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

### **Shareholders of our Company**

Our Company has 10 shareholders as on the date of filing of this Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “*Capital Structure*” beginning on page 54 of the Prospectus.

### **Changes in the Management**

For details of change in Management, please see chapter titled “*Our Management*” on page 132 of the Prospectus.

### **Changes in the Activities of Our Company during the last Five Years**

There has been no change in the business activities of our Company during last five (5) years from the date of this Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in chapter titled “*Management’s discussion and analysis of financial conditions & results of operations*” beginning on page 204 of this Prospectus,

### **Shareholders Agreement**

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

### **Collaboration Agreements**

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

### **Material Agreement**

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

### **OTHER AGREEMENTS:**

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

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

**Strategic Partners** - Our Company does not have any strategic partners as on the date of filing this Prospectus.

**Financial Partners** - Our Company does not have any financial partners as on the date of filing this Prospectus

**Corporate Profile of our Company** - For details of our Company’s activities, growth of our Company, please see “*Our Business*” “*Management’s Discussion and Analysis of Financial Conditions and Results of Operations*” and “*Basis of Issue Price*” on page 104, 204 and 80 respectively of this 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 Prospectus:

Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Director-ships
1.	<b>Mr. Amardeepsingh Triloksingh Sethi</b> S/o Mr. Triloksingh Lalsingh Sethi <b>Age:</b> 43 Years <b>Designation:</b> Chairman cum Whole Time Director <b>Address:</b> Trilok Villa, P No. 17-18, Town Centre, N-1, CIDCO, Aurangabad-431001, Maharashtra, India <b>Experience:</b> 20 Years <b>Occupation:</b> Business <b>Qualification:</b> Diploma in Chemical Engineering <b>DIN:</b> 00097644	Originally Appointed as Additional Director w.e.f. April, 25, 2016  Re-Designated as Chairman cum Whole Time Director in EGM dated June 13, 2016 for a period of 5 years liable to retire by rotation.	525000 Equity Shares  [8.75%]	1. Metri It park Limited Liability Partnership ( Designated Partner) 2. Metri Distilleries Limited Liability Partnership ( Designated Partner) 3. Satyam Spirits Private Limited 4. Metri spirits Private Limited 5. Triloksons Resources Private Limited
2.	<b>Mr. Dharampal Kimatram Kalani</b> S/o Late Kimatram Budhamal Kalani <b>Age:</b> 39 Years <b>Designation:</b> Managing Director <b>Address:</b> Hari Pooja Puram, A-3 Bungalow opp. Rajhans Press, Kasaba Bhavda Road, Nagala Park, Dist-Kolhapur – 416003, Maharashtra, India <b>Experience:</b> 12 Years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Engineering and Master of Business Administration <b>DIN:</b> 00041021	Originally Appointed as Director on Incorporation  Re-Designated as Managing Director in EGM dated June 13, 2016 for a period of 5 years	990000 Equity Shares  [16.5%]	1. Deogaon Farms LLP 2. Neptune Warehousing Services LLP 3. Karan Sugars Private Limited 4. Karan Distilleries Private Limited 5. Karan Liquors Private Limited 6. Machpack Enterprises Private Limited 7. Kalani Packaging Industries Private Limited
3.	<b>Mr. Kanyalal Kimatram Kalani</b> S/o Late Kimatram Budhamal Kalani <b>Age:</b> 52 Years 13, Manohar Garden, Jai Bhavani Road, Upnagar, Nasik Road, Nasik-422101 Maharashtra, India <b>Experience:</b> 30 Years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Commerce <b>DIN:</b> 00282182	Appointed as Non Executive Director on September 14, 2010	1020000 Equity Shares  [17.00%]	1. Deogaon Farms LLP 2. Neptune Warehousing Services LLP 3. Karan Sugars Private Limited 4. Brihan Karan Sugars Syndicate Private Limited 5. Masters Blenders Pvt. Ltd. 6. Rukhmini Beverages Pvt. Ltd. 7. Karan Bottling Company Private Limited 8. Karan Liquors Private Limited 9. Machpack Enterprises Pvt. Ltd. 10. Kalani Packaging Industries Private Limited 11. Nevitad Distilleries Private Limited



Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Director-ships
4.	<b>Mrs. Jagjitkaur Amardeepsingh Sethi</b> W/o Mr. Amardeepsingh Triloksingh Sethi <b>Age:</b> 38 Years <b>Designation:</b> Non-Executive Director <b>Address:</b> Trilok Villa, P No. 17-18, Town Centre, N-1, CIDCO, Aurangabad-431001, Maharashtra, India <b>Experience:</b> 3 Years <b>Occupation:</b> Business <b>Qualification:</b> Bachelor of Arts <b>DIN:</b> 01825035	Appointed as Non Executive Director on September 11, 2008	525000 Equity Shares  [8.75.%]	1. Virat Spirits Limited Liability Partnership 2. Satyam Spirits Pvt. Ltd. 3. Metri Spirits Pvt. Ltd.
5.	<b>Mr. Ashokchandra Dwarkadhish Dhish</b> S/o Mr. Dwarkadhish Chandrakishorelal Prasad <b>Age:</b> 66 Years <b>Designation:</b> Non Executive Independent Director <b>Address:</b> B-104/105, Renuka Darshan Soc, rest camp road, devlali, Nashik-422401, Maharashtra, India <b>Experience:</b> 40 Years <b>Occupation:</b> Business <b>Qualification:</b> Post Graduate in Industrial Fermentation and Alcohol Technology <b>DIN:</b> 07599607	Appointed as Non Executive Independent Director on August 30, 2016	-----	Nil
6.	<b>Mr. Karan Vallabh Yadav</b> S/o Mr. Vallabh Brijmohan yadav <b>Age:</b> 44 Years <b>Designation:</b> Non Executive Independent Director <b>Address:</b> Plot No. 210, Above Indian Bank, Samarth Nagar, Aurangabad-431001, Maharashtra, India <b>Experience:</b> 19 Years <b>Occupation:</b> Service <b>Qualification:</b> Diploma in Industrial Engineering and Diploma in Export Management <b>DIN:</b> 07587347	Appointed as Non Executive Independent Director on August 30, 2016	-----	Nil
7.	<b>Mr. Gurnamsing Surendrasing Bhatiyani</b> S/o Mr. Surendrasing Mannasing Bhatiyani <b>Age:</b> 37 Years <b>Designation:</b> Non Executive Independent Director	Appointed as Non Executive Independent Director on August 30, 2016	-----	1. Virendra Petrochemicals Private Limited 2. Guru Global Exim Private Limited



Sr. No.	Name, Father's Name, Age, Designation, Address, Experience, Occupation, Qualification & DIN	Date of Appointment	No. of Equity Shares held & % of Shareholding (Pre Issue)]	Other Director-ships
	<b>Address:</b> Bramha Suncity, C4, 0101, vadgaon sheri, Pune-411014, Maharashtra, India <b>Experience:</b> 11 Years <b>Occupation:</b> Business <b>Qualification:</b> 2 <sup>nd</sup> year B.Sc. <b>DIN:</b> 02536636			
8.	<b>Mr. Prakash Madhavrao Sawant</b> S/o Mr. Madhav Narayanrao Sawant <b>Age:</b> 67 Years <b>Designation:</b> Independent Non Executive Director <b>Address:</b> 8, Jeevan darshan Appt, Gopal Nagar Artillary, Centre Road, Nashik Road, Nashik-422401 Maharashtra, India <b>Experience:</b> 40 Years <b>Occupation:</b> Business <b>Qualification:</b> Inter Science and Diploma in Indian Dairy Technology <b>DIN:</b> 07618451	Appointed as Additional Non Executive Independent Director on September 19, 2016	-----	Nil

#### **Brief Profiles of our Directors**

##### **Mr. Amardeepsingh Triloksingh Sethi Chairman cum Whole Time Director**

Mr. Amardeepsingh Triloksingh Sethi, aged 43 years, holds Diploma in Chemical Engineering Pravara Engineering College at Loni, District Ahmednagar, Maharashtra Affiliated under Pune University. He joined our Company as Additional Director on 25.04.2016 and then redesignated as Chairman Cum Whole Time Director on June 13, 2016. He is promoter of our Company since the company was taken over by present promoter in the year 2005. He has an overall experience of around 20 years in the business of Distillery operation and had been a key figure in promoting the business of the Company to the current status. His main role in the Company is to strategise new business plans with industry trends and consumer preference in mind. He has also led us for all the technical advancements made by our Company in its products and method of manufacturing and also looks after the production and factory related activities.

##### **Mr. Dharampal Kimatram Kalani, Managing Director**

Mr. Dharampal Kimatram Kalani, aged 39 years is the Managing Director of our Company. He holds Bachelor of Engineering and Master of Business Administration. He has been associated with our company from 2007 and has been redesignated as Managing Director on June 13, 2016. He has 12 years of experience in handling Distillery Industry. He looks after overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth. He manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level. He looks after overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth.

##### **Mr. Kanyalal Kimatram Kalani, Non Executive Director**

Mr. Kanyalal Kimatram Kalani, aged 52 years is associated with the Company since 2010 as Non executive Director. He holds the degree of Bachelors of Commerce. Also he has experience of 30 years in field of distillery and alcohol manufacturing. No remuneration/sitting fees were paid to him for the financial year 2015-16.



**Mrs. Jagjitkaur Amardeepsingh Sethi, Non Executive Director**

Mrs. Jagjitkaur Amardeepsingh Sethi is the Non Executive Director of our company. She is been on the board from 2008. She holds degree of Bachelor of Arts from Hindu Kanya College, Kapurthala, Punjab State She has experience of 3 years in distillation and spirit manufacturing. No remuneration/sitting fee was paid to her for the financial year 2014-15.

**Mr. Ashokchandra Dwarkadhish Dhish, Non Executive Independent Director**

Mr. Ashokchandra Dwarkadhish Dhish is the Non Executive Independent Director of our company. He is Post Graduate in Industrial Fermentation and Alcohol Technology and having 40 years of experience in the field of Alcohol Industry.

**Mr. Karan Vallabh Yadav, Non Executive Independent Director**

Mr. Karan Vallabh Yadav is the Non Executive Independent Director of our company. He is Diploma in Industrial Engineering and Diploma in Export Management and having 19 years of experience in the field of Import and Export Department and Alternative power solutions.

**Mr. Gurnamsing Surendrasing Bhatiyani, Non Executive Independent Director**

Mr. Gurnamsing Surendrasing Bhatiyani is the Independent Non Executive Director of our company. He has cleared 2<sup>nd</sup> year B.Sc. and having 11 years of experience in the field of real estate industry.

**Mr. Prakash Madhavrao Sawant, Additional Non Executive Independent Director**

Mr. Prakash Madhavrao Sawant is the Non Executive Independent Director of our company. He holds degree Inter Science and Diploma in Indian Dairy Technology and having 40 years of experience.

**Nature of any family relationship between our Directors**

The present Directors in our Board are related to each other, details of which are as follows:-

Sr. No.	Name of Director	Name of Director and (Relation with Director)
1.	Mr. Amardeepsingh Triloksingh Sethi	Mrs Jagjitkaur Amardeepsingh Sethi (wife)
2.	Mr. Dharampal Kimatram Kalani	Mr. Kanyalal Kimatram Kalani (Brother)
3.	Mr. Kanyalal Kimatram Kalani	Mr. Dharampal Kimatram Kalani (Brother)
4.	Mrs. Jagjitkaur Amardeepsingh Sethi	Mr. Amardeepsingh Triloksingh Sethi (Husband)

**Arrangements with major Shareholders, Customers, Suppliers or Others:**

We have not entered into any arrangement or understanding with our major shareholders, customers, suppliers or others, pursuant to which any of our Directors were selected as Directors or members of the senior management.

**Service Contracts:**

The Directors of our Company have not entered into any service contracts with our company which provides for benefits upon termination of their employment.

**Common directorships of the Directors in companies whose shares are/were suspended from trading on the BSE and/ or the NSE for a period beginning from five (5) years prior to the date of this Prospectus:**

None of our Directors is / was a Director in any listed company, during the last five years from the date of filing of this Prospectus, whose shares have been / were from being traded on the BSE Limited and / or National Stock Exchange of India Limited.



**Common directorships of the Directors in listed companies that have been/were delisted from stock exchanges in India:**

Further, none of our Directors is / was a Director of any listed company which has been / was delisted from any recognised Stock Exchange.

**Details of Borrowing Powers of Directors**

Our Company has passed a special resolution in the Extra Ordinary General Meeting of the members held on June 13, 2016 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 Rs. 100.00 Crores (Rupees One Hundred Crores only).

**Compensation of our Managing Director & Whole-time Director**

The compensation payable to our Managing Director and Whole-time Directors will be governed as per the terms of their appointment and shall be subject to the provisions of Sections 2(54), 2(94), 188,196,197,198 and 203 and any other applicable provisions, if any of the Companies Act, 2013 read with Schedule V to the Companies Act,2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 1956, for the time being in force).

**The following compensation has been approved for Managing Director and Whole Time Directors:**

Particulars	Mr. Amardeepsingh Triloksingh Sethi	Mr. Dharampal Kimatram Kalani
Appointment/Change in Designation	Special Resolution dated June 13, 2016	Special Resolution dated June 13, 2016
Designation	Chairman & Whole-Time Director	Managing Director
Term of Appointment	5 years Liable to Retire by rotation	5 years Not Liable to Retire by rotation
Remuneration	Upto ₹ 1,00,000 /- pm	Upto ₹ 1,00,000 /- pm
Compensation paid in the year 2015-16	--	NIL

**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 June 15, 2016 for payment of an amount 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 Prospectus.**

Sr. No.	Name of the Director	No. of Shares Held	Holding in %
1.	Mr. Amardeepsingh Triloksingh Sethi	5,25,000	8.75





Sr. No.	Name of the Director	No. of Shares Held	Holding in %
2.	Mr. Dharampal Kimatram Kalani	9,90,000	16.50
3.	Mr. Kanyalal Kimatram Kalani	10,20,000	17.00
4.	Mrs Jagjitkaur Amardeepsingh Sethi	5,25,000	8.75
	<b>Total</b>	<b>30,60,000</b>	<b>51.00</b>

*None of the Independent Directors of the Company holds any Equity Shares of Company as on the date of this Prospectus*

*We do not have any subsidiary and associate 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**

All the Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of the Board of Directors or a Committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under the Articles, and to the extent of remuneration paid to them for services rendered as an officer or employee of the Company. For further details, see- ***"Compensation of the our Managing Director and Whole time Directors"*** beginning on page 136 of this 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 or by their relatives or by the companies/ firms in which they are interested as directors/Members/Partners. Further our Directors are also interested to the extent of loans, if any, taken by them or their relatives or taken by the companies/ firms in which they are interested as Directors/Members/Partners.

All Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any Company in which they hold Directorships or any partnership firm in which they are partners.

Further except as provided hereunder, our Directors are not interested in our Company in any manner:

Sr. No.	Name of Director	Nature of interest
1.	Mr. Amardeepsingh Triloksingh Sethi	<ol style="list-style-type: none"> <li>1. Extended personal guarantee towards the borrowings of Rs 3025.00 Lacs, made by the Company</li> <li>2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company.</li> <li>3. Have extended unsecured loan to the Company.</li> <li>4. Relatives have extended Unsecured Loans to the Company</li> </ol>
2.	Mr. Dharampal Kimatram Kalani	
3.	Mr. Kanyalal Kimatram Kalani	
4.	Mrs. Jagjitkaur Amardeepsingh Sethi	
		Further each of the above directors are interested as relatives of each of the aforementioned directors.

Except as stated otherwise in this Prospectus, our Company has not entered into any Contract, Agreements or Arrangements during the preceding two years from the date of the Prospectus in which the Directors are interested directly or indirectly and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be entered into with them.

Except as stated in this section ***"Our Management"*** or the section titled ***"Financial information of the Company - Related Party Transactions"*** beginning on page 132 and 194 respectively of this Prospectus, and except to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Our Directors have no interest in any property acquired by our Company within two (2) years of the date of this Prospectus. Further each of the Directors is interested as relatives of each other.



### Changes in Board of Directors in Last 3 Years

Sr. No.	Name	Date of Appointment / Re-appointment	Reasons for Change
1.	Mr. Ratansingh Triloksingh Sethi	Resigned from directorship in meeting dated April 25, 2016	Due to Personal Reason
2.	Mr. Amardeepsingh Triloksingh Sethi	Appointed as Additional Director in meeting dated April 25, 2016 and further regularised in meeting May 19, 2016	To broad base the Board
		Re-designated as a Chairman cum Whole time Director in meeting dated June 13, 2016	To ensure better Corporate Governance
3.	Mr. Dharampal Kimatram Kalani	Re-designated as a Managing Director in meeting dated June 13, 2016	To ensure better Corporate Governance
4.	Mr. Ashokchandra Dwarkadhish Dhish	Appointed as Non Executive Independent Director in meeting dated August 30, 2016	To ensure better Corporate Governance
5.	Mr. Karan Vallabh Yadav	Appointed as Non Executive Independent Director in meeting dated August 30, 2016	To ensure better Corporate Governance
6.	Mr. Gurnamsing Surendrasin Bhatiyani	Appointed as Non Executive Independent Director in meeting dated August 30, 2016	To ensure better Corporate Governance
7.	Mr. Prakash Madhavrao Sawant	Appointed as Additional Non Executive Independent Director in meeting dated September 19, 2016	To ensure better Corporate Governance

### COMPLIANCE WITH CORPORATE GOVERNANCE

In addition to the applicable provisions of the Companies Act, 2013, provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (ICDR) Regulations, 2009 in respect of corporate governance will be applicable to our Company immediately upon the listing of our Company's Equity Shares on the SME Platform of NSE. The requirements pertaining to the Composition of the Board of Directors and the constitution of the committees such as the Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committees have been complied with.

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

Our Board of Directors consist of five (8) directors of which three (4) are Independent Non-Executive Directors (as defined under Regulation 16(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015), which constitutes more than 50% of the Board of Directors and one women Director, which is in compliance with the requirements of Regulation 17 of SEBI Listing Regulations, 2015. Our Company has constituted the following committees:

#### **Audit Committee**

Our Company has constituted an Audit Committee ("Audit Committee"), vide Board Resolution dated September 1, 2016, as per the applicable provisions of the Section 177 of the Companies Act, 2013 and also to comply with Regulation 18 of SEBI Listing Regulations, 2015 applicable upon listing of the Company's Equity shares on SME platform of NSE ("NSE Emerge"), The constituted Audit Committee comprises following members:

Name of the Director	Status in Committee	Nature of Directorship
Mr. Karan Vallabh Yadav	Chairman	Non Executive-Independent Director
Mr. Ashokchandra Dwarkadhish Dhish	Member	Non Executive-Independent Director
Mr. Dharampal Kimatram Kalani	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Audit Committee. The Chairman of the Audit Committee shall attend the Annual General Meeting of our Company to answer shareholder queries. The scope and function of the Audit Committee and its terms of reference shall include the following:



**A. Tenure:** The Audit Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Audit Committee as approved by the Board.

**B. Meetings of the Committee:** The committee shall meet at least four times in a year and not more than 120 days shall elapse between any two meetings. The quorum for the meeting shall be either two members or one third of the members of the committee, whichever is higher but there shall be presence of minimum two Independent members at each meeting.

**C. Role and Powers:** The Role of Audit Committee together with its powers as Part C of Schedule II of SEBI Listing Regulation, 2015 and Companies Act, 2013 shall be as under:

1. Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to;
  - matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions;
  - modified opinion(s) in the draft audit report;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.
16. Discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
19. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in section 177(4) of Companies Act 2013 or referred to it by the Board.
20. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
21. To review the functioning of the whistle blower mechanism;



22. Approving the appointment of the Chief Financial Officer (i.e. the whole time finance director or any other person heading the finance function) after assessing the qualifications, experience and background, etc., of the candidate; and;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- a) Management discussion and analysis of financial condition and results of operations;
- b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d) Internal audit reports relating to internal control weaknesses; and
- e) The appointment, removal and terms of remuneration of the chief internal auditor
- f) Statement of deviations:
  - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

### **Stakeholders Relationship Committee**

Our Company has formed the Stakeholders Relationship Committee as per Regulation 20 of SEBI Listing Regulation, 2015 vide Resolution dated September 1, 2016. The constituted Stakeholders Relationship Committee comprises the following:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Gurnamsingh Surendrasing Bhatiyani	Chairman	Non Executive-Independent Director
Mr. Karan Vallabh Yadav	Member	Non Executive-Independent Director
Mr. Dharampal Kimatram Kalani	Member	Managing Director

The Company Secretary of our Company shall act as a Secretary to the Stakeholders Relationship Committee. The scope and function of the Stakeholders Relationship Committee and its terms of reference shall include the following:

- A. Tenure:** The Stakeholders Relationship Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board, to carry out the functions of the Stakeholders Relationship Committee as approved by the Board.
- B. Meetings:** The Stakeholders Relationship Committee shall meet at least four times a year with maximum interval of four months between two meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The quorum shall be two members present.
- C. Terms of Reference:** Redressal of shareholders' and investors' complaints, including and in respect of:
  - Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the space at back for recording transfers have been fully utilized.
  - Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;
  - Review the process and mechanism of redressal of Shareholders' /Investor's grievance and suggest measures of improving the system of redressal of Shareholders' /Investors' grievances.
  - Non-receipt of share certificate(s), non-receipt of declared dividends, non-receipt of interest/dividend warrants, non-receipt of annual report and any other grievance/complaints with Company or any officer of the Company arising out in discharge of his duties.



- Oversee the performance of the Registrar & Share Transfer Agent and also review and take note of complaints directly received and resolved them.
- Oversee the implementation and compliance of the Code of Conduct adopted by the Company for prevention of Insider Trading for Listed Companies as specified in the Securities & Exchange Board of India (Prohibition of insider Trading) Regulations, 2015 as amended from time to time.
- Any other power specifically assigned by the Board of Directors of the Company from time to time by way of resolution passed by it in a duly conducted Meeting, and
- Carrying out any other function contained in the equity listing agreements as and when amended from time to time.

### **Nomination and Remuneration Committee**

Our Company has formed the Nomination and Remuneration Committee as per Regulation 19 of SEBI Listing Regulation, 2015 vide Resolution dated September 1, 2016. The Nomination and Remuneration Committee comprise the following:

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Ashokchandra Dwarkadhish Dhish	Chairman	Non Executive-Independent Director
Mr. Karan Vallabh Yadav	Member	Non Executive-Independent Director
Mr. Gurnamsing Surendrasing Bhatiyani	Member	Non Executive-Independent Director

The Company Secretary of our Company shall act as a Secretary to the Nomination and Remuneration Committee. The scope and function of the Committee and its terms of reference shall include the following:

**A. Tenure:** The Nomination and Remuneration Committee shall continue to be in function as a committee of the Board until otherwise resolved by the Board.

**B. Meetings:** The committee shall meet as and when the need arises for review of Managerial Remuneration. The quorum for the meeting shall be one third of the total strength of the committee or two members, whichever is higher. The Chairperson of the nomination and remuneration committee may be present at the annual general meeting, to answer the shareholders' queries; however, it shall be up to the chairperson to decide who shall answer the queries.

### **C. Role of Terms of Reference:**

- Identify persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, recommend to the Board for their appointment and removal and shall carry out evaluation of every director's performance;
- Formulate the criteria for determining the qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for directors, KMPs and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the board of directors;
- Devising a policy on diversity of board of directors;
- 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;
- Determine our Company's policy on specific remuneration package for the Managing Director / Executive Director including pension rights;
- Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors;
- Define and implement the Performance Linked Incentive Scheme (including ESOP of the Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.
- Decide the amount of Commission payable to the Whole time Directors;
- Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of the Company, standards prevailing in the industry, statutory guidelines etc; and
- To formulate and administer the Employee Stock Option Scheme.



### **POLICY ON DISCLOSURES AND INTERNAL PROCEDURE FOR PREVENTION OF INSIDER TRADING**

The provisions of regulation 9(1) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 will be applicable to our Company immediately upon the listing of its Equity Shares on the SME platform of NSE. We shall comply with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 on listing of Equity Shares on stock exchanges. Further, Board of Directors at their meeting held on June 15, 2016 have approved and adopted the policy on insider trading in view of the proposed public issue.

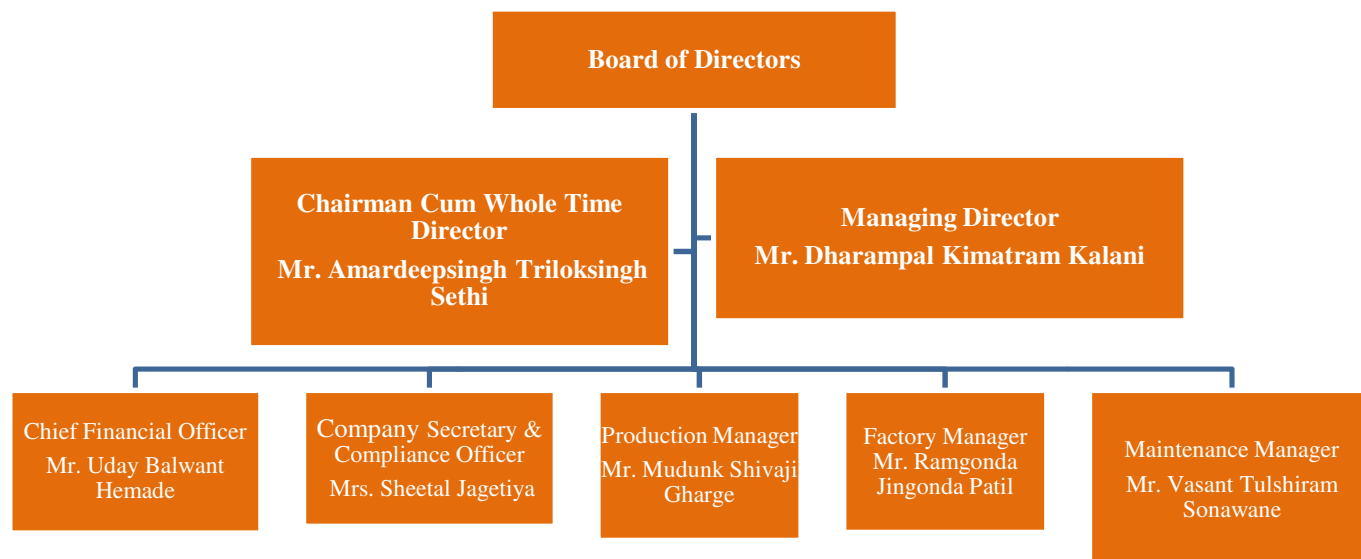
Mrs. Sheetal Jagetiya, Company Secretary & Compliance Officer will be responsible for setting forth policies, procedures, monitoring and adherence to the rules for the preservation of price sensitive information and the implementation of the Code of Conduct under the overall supervision of the Board.

### **POLICY FOR DETERMINATION OF MATERIALITY & MATERIALITY OF RELATED PARTY TRANSACTIONS AND ON DEALING WITH RELATED PARTY TRANSACTIONS**

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on SME Platform of NSE. We shall comply with the requirements of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 on listing of Equity Shares on the SME platform of NSE. The Board of Directors at their meeting held on June 15, 2016 have approved and adopted the policy for determination of materiality and determination of materiality of related party transactions and on dealing with related party transactions.

### **MANAGEMENT ORGANISATION STRUCTURE**

The following chart depicts our Management Organization Structure:-







## 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:

Name, Designation & Educational Qualification	Age (Years)	Year of joining	Compensation paid for F.Y. ended 2016 (in ₹ Lacs)	Overall experience (in years)	Previous employment
Mr. Amardeepsingh Triloksingh Sethi <b>Designation</b> – Chairman cum Whole Time Director <b>Educational Qualification</b> – Diploma in Chemical Engineering	43 Years	2016	Nil	20	Metri Sugar & Trading Private Limited
Mr. Dharampal Kimatram Kalani <b>Designation</b> – Managing Director <b>Educational Qualification</b> – Bachelor of Engineering and Master of Business Administration	39 Years	2007	Nil	12	NIL
Mr. Mukund Shivaji Garge <b>Designation:</b> Production Manager <b>Educational Qualification:</b> Diploma in Chemical Engineering	44 years	2002	2.00	23	Ashok Alco-chem Limited
Mr. Ramgonda Jingonda Patil <b>Designation:</b> Factory Manager <b>Educational Qualification:</b> B.sc	41 years	2013	2.28	16	Karan Sugar Pvt. Ltd.
Mr. Vasant Tulshiram Sonawane <b>Designation:</b> Maintenance Manager <b>Educational Qualification:</b> Diploma in Mechanical Engineering	53 years	2015	1.92	30	Spectrum Renewable Energy Pvt. Ltd.
Mrs. Sheetal Jagetiya <b>Designation:</b> Company Secretary and Compliance Officer <b>Educational Qualification:</b> Bachelor of Commerce and Company Secretary	31 years	2016	NIL	1	Kanchan India Limited
Mr. Uday Balwant Hemade <b>Designation:</b> Chief Financial Officer <b>Educational Qualification:</b> B.Com	49 years	2002	2.04	25	Eldee Velvets and Industries Limited

## BRIEF PROFILE OF KEY MANAGERIAL PERSONNEL

### Mr. Amardeepsingh Triloksingh Sethi Chairman cum Whole Time Director

Mr. Amardeepsingh Triloksingh Sethi, aged 43 years, holds Diploma in Chemical Engineering. He joined our Company as Additional Director on 25.04.2016 and then redesignated as Chairman Cum Whole Time Director on June 13, 2016. He is promoter of our Company since the company was taken over by present promoter in the year 2005. He has an overall experience of around 20 years in the business of Distillery operation and had been a key figure in promoting the business of the Company to the current status. His main role in the Company is to strategise new business plans with industry trends and consumer preference in mind. He has also leaded us for all the technical advancements made by our Company in its products and method of manufacturing and also looks after the production and factory related activities.



**Mr. Dharampal Kimatram Kalani, Managing Director**

Mr. Dharampal Kimatram Kalani, aged 39 years is the Managing Director of our Company. He holds Bachelor of Engineering and Master of Business Administration. He has been associated with our company from 2007 and has been redesignated as Managing Director on June 13, 2016. He has 12 years of experience in handling Distillery Industry. He looks after overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth. He manages the day-to-day affairs of the Company and is responsible for business policies, strategic decisions, business development etc. As a strategic planner with a hands-on approach, he has been instrumental in the growth of the Company to this level. He looks after overall management and operations of the Company. Under his guidance our Company has witnessed continuous growth.

**Mr. Mukund Shivaji Gharge, Production Manager**

Mr. Mukund Shivaji Gharge is Production Manager of our Company. He holds Diploma in Chemical Engineering from Board of technical examination, Maharashtra State. He takes care of production and related planning for production of all products along with raw material requirement for every product. He has 23 years of overall experience in his functional area. He was paid a gross salary of ₹ 1.92 Lacs p.a. in financial year 2015-16

**Mr. Ramgonda Jingonda Patil, Factory Manager**

Mr. Ramgonda Jingonda Patil is factory Manager of our Company. He holds degree of Bachelor of Science from Shivaji University, Kolhapur. He takes care of all factory operation related to operating a distillation unit. He has 16 years of overall experience in his functional area. He was paid a gross salary of ₹ 2.28 Lacs p.a. in financial year 2015-16

**Mr. Vasant Tulshiram Sonawane, Maintenance Manager**

Mr. Vasant Tulshiram Sonawane is a Maintenance Manger of our Company. He holds Diploma in Mechanical Engineering from Board of technical examination, Maharashtra State. He takes care of maintenance related work of the factory for smooth functioning of manufacturing process and related activities. He has experience of 30 years in field of manufacturing. He was paid a gross salary of ₹ 2.00 Lacs p.a. in financial year 2015-16

**Mrs. Sheetal Jagetiya, Company Secretary and Compliance Officer**

Mrs. Sheetal Jagetiya, aged 31 years is Company Secretary and Compliance officer of our Company. She is a qualified Company Secretary from Institute of Company Secretaries of India. She has around 1 years of experience in the field of secretarial matters. She looks after the overall corporate governance and secretarial matters of our Company. She was paid not paid in financial year 2015-16.

**Mr. Uday Balwant Hemade, Chief Financial Officer**

Mr. Uday Balwant Hemade, aged 49 years is the Chief Financial Officer of our Company. He holds Bachelor Degree of Commerce from Pune University. He takes care of all accounts, banking, taxation and financial activities of our Company. He has more than 25 years of experience in his functional area and associated with us since 2002. He has been appointed as Chief Financial Officer of our Company dated June 15, 2016. He was paid a gross salary of Rs 2.04 Lacs in financial year 2015-16.

We confirm that:

- a. Except our Company Secretary cum Compliance Officer who have been appointed on probation for a period of 6 months, 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. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani who also form part of Board, and Mr. Ratansingh Triloksingh Sethi who is brother of Mr. Amardeepsingh Triloksingh Sethi is related to our Promoter or our Directors.
- d. None of the above mentioned Key Managerial Personnel are related to each other except as mention in this section.



- e. In respect of all above mentioned Key Managerial Personnel there has been no contingent or deferred compensation accrued for the year ended March 2016.
- f. 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.
- g. Our Company does not have any bonus/profit sharing plan for any of the Key Managerial Personnel.
- h. None of the Key Managerial Personnel in our Company hold any shares of our Company as on the date of filing of this Prospectus except as under:-

Sr. No.	Name of the KMP	No. of Shares Held
1.	Mr. Amardeepsingh Triloksingh Sethi	5,25,000
2.	Mr. Dharampal Kimatram Kalani	9,90,000

- i. Presently, we do not have ESOP/ESPS scheme for our employees.
- j. The turnover of KMPs is not high, compared to the Industry to which our belongs.

**Payment of Benefits to Officers of our Company (non-salary related)** Except for any statutory payments made by our Company upon termination of services of its officer or employees, our Company has not paid any sum, any non-salary amount or benefit to any of its officers or to its employees including amounts towards super-annuation, ex-gratia/rewards.

#### **Changes in the Key Managerial Personnel in last three years:**

There have been no changes in the Key Managerial Personnel of our Company during the last 3 (three) year except as stated below:

Sr. No.	Name	Designation	Date of Appointment/Cessation/Promotion/Transfer	Reasons
1.	Mrs. Sheetal Jagetiya	Company Secretary & Compliance Officer	June 15, 2016	Appointment
2.	Mr. Hemande Uday	Chief Financial Officer	June 15, 2016	Appointment
3.	Mr. Amardeepsingh Triloksingh Sethi	Chairman Cum Whole Time Director	June 13, 2016	Change in Designation
4.	Mr. Dharampal Kimatram Kalani	Managing Director	June 13, 2016	Change in Designation
5.	Mr. Ramgonda Jingonda Patil	Factory Manager	May 31, 2016	Appointment
6.	Mr. Mukund Shivaji Gharge	Production Manager	May 31, 2016	Appointment

#### **Interest of Our Key Managerial Persons**

Sr. No.	Name of Director	Nature of interest
1.	Mr. Amardeepsingh Triloksingh Sethi	1. Extended personal guarantee towards the borrowings of Rs 3025.00 Lacs, made by the Company. 2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company.
2.	Mr. Dharampal Kimatram Kalani	3. Have extended unsecured loan to the Company. 4. Relatives have extended Unsecured Loans to the Company  Further each of the above directors is interested as relatives of each of the aforementioned directors.

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 except as mention above our key managerial personal are interested in our Company.

Except as provided in this Prospectus, we have not entered into any contract, agreement or arrangement during the preceding 2 (two) years from the date of this Prospectus in which the Key Managerial Personnel are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them.

For the details unsecured loan taken from or given to our Directors/KMPs and for details of transaction entered by them in the past please refer to “***Annexure R Statement of Related Party Transaction***” page 194 and Personal Guarantee towards Financial facilities of our Company please refer to “***Statement of Financial Indebtedness***” page no 201 of the Prospectus.

#### **OTHER BENEFITS TO OUR KEY MANAGERIAL PERSONNEL**

Except as stated in this Prospectus, there are no other benefits payable to our Key Managerial Personnel.

#### **EMPLOYEES**

The details about our employees appear under the Paragraph titled “***Human Resource***” in Chapter titled “***Our Business***” beginning on page 104 of this Prospectus.




## OUR PROMOTERS AND PROMOTER GROUP

### OUR PROMOTER

Mr. Dharampal Kimatram Kalani, Mr. Amardeepsingh Triloksingh Sethi, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi are the Promoters of our Company. As on date of the Prospectus, our Promoters holds in aggregate 30,60,000 Equity Shares representing 51.00% of Pre-Issue paid up Capital of our Company.

**Brief profile of our promoters is as follows:-**



	<b>Mr. Amardeepsingh Triloksingh Sethi – Chairman &amp; Whole-Time Director</b>	
	<b>Age</b>	43 Years
	<b>Address</b>	Trilok Villa P. No. 17-18, Town Centre N-1, CIDCO, Aurangabad-431001, Maharashtra, India
	<b>Qualification</b>	Diploma in Chemical Engineering
	<b>Experience</b>	20 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	ACQPS3826C
	<b>Adhaar Card No.</b>	260564649890
	<b>Passport Number</b>	J9072411
	<b>Name of Bank &amp; Bank Account Details</b>	HDFC Bank, Shivani Chambers, Opposite Akashwani, Manjeet Nagar, Jalna Road, Aurangabad-431001, Maharashtra, India A/c No. - 01131000061516
	<b>Driving License Number</b>	MH17 19910000516
	<b>Voter Identification Card Number</b>	MT/40/233/183305
	<b>No. of Equity Shares held in ADL [ % of Shareholding (Pre Issue)]</b>	5,25,000 Equity Share aggregating to 8.75% of Pre Issue Paid up Capital
	<b>Other Interests</b>	<p><b>Other Directorship:</b></p> <ul style="list-style-type: none"> <li>• Satyam Spirits Private Limited</li> <li>• Metri Spirits Private Limited</li> <li>• Triloksons Resources Private Limited</li> <li>• Metri IT Park LLP</li> <li>• Metri Distilleries LLP</li> </ul> <p><b>HUF:</b></p> <p>Amardeepsingh Triloksingh Sethi HUF</p> <p><b>Proprietorship:-</b> NIL</p> <p><b>Partnership Firms:-</b> NIL</p> <p><b>Trust:-</b> NIL</p>



	<b>Mr. Dharampal Kimatram Kalani – Managing Director</b>	
	<b>Age</b>	39 Years
	<b>Address</b>	Hari Pooja Puram, A-3, Bungalow, Opp. Rajhans Press, Kasaba Bhavda Road, Nagla Park, Dist- Kolhapur-416003, Maharashtra, India
	<b>Qualification</b>	Bachelor of Engineering and Master of Business Administration
	<b>Experience</b>	12 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AGGPK7265B
	<b>Adhaar Card No.</b>	689845248057
	<b>Passport Number</b>	K4119280
	<b>Name of Bank &amp; Bank Account Details</b>	State Bank of India, Lal Bahadur, Sastri Marg, Nasik Road, Dist Nasik-422101, Maharashtra, India A/c No. - 10887920944
	<b>Driving License Number</b>	MH15 19970019849
	<b>No. of Equity Shares held in SIL [% of Shareholding (Pre Issue)]</b>	9,90,000 Equity Shares aggregating to 16.50% of Pre Issue Paid up Capital
	<b>Other Interests</b>	<b>Other Directorship:</b> <ul style="list-style-type: none"> <li>• Deogaon Farms LLP</li> <li>• Karan Sugars Pvt. Ltd.</li> <li>• Karan Distilleries Pvt. Ltd.</li> <li>• Karan Liquors Pvt. Ltd.</li> <li>• Machpack Enterprises Pvt. Ltd.</li> <li>• Kalani Packaging Industries Pvt. Ltd.</li> <li>• Neptune Warehousing Services LLP</li> </ul> <b>HUF:</b> Dharampal Kimatram Kalani HUF <b>Proprietorship:-</b> M/s Superpack Industries <b>Partnership Firms:-</b> M/s Kanuhira Corporation <b>Trust:-</b> Vice president of Kalani Shaishanik Samajik Seva Sanstha Trust
	<b>Mr. Kanyalal Kimatram Kalani – Non Executive Director</b>	
	<b>Age</b>	52 Years
	<b>Address</b>	13, Manohar Garden, Jai Bhavani Road, Upnagar, Nasik Road, Nasik-422101 Maharashtra, India
	<b>Qualification</b>	Bachelors of Commerce.
	<b>Experience</b>	30 Years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	AGGPK7266C
	<b>Adhaar Card No.</b>	9083 3284 5103
	<b>Passport Number</b>	F3046156
	<b>Name of Bank &amp; Bank Account Details</b>	State Bank Of India Lal Bahadur, Sastri Marg, Nasik Road, Dist Nasik-422101, Maharashtra, India A/c No. - 10887906271
	<b>Driving License Number</b>	MH15 20100010138





	<b>Voter Identification Card Number</b>	DMP2594612
	<b>No. of Equity Shares held in ADL [% of Shareholding (Pre Issue)]</b>	10,20,000 Equity Shares aggregating to 17.00 % of Pre Issue Paid up Capital
	<b>Other Interests</b>	<b>Other Directorship:</b> <ul style="list-style-type: none"> <li>• Deogaon Farms LLP</li> <li>• Karan Sugars Private Limited</li> <li>• Brihan Karan Sugars Syndicate Private Limited</li> <li>• Master Blenders Private Limited</li> <li>• Rukhmini Beverages Private Limited</li> <li>• Karan Liquors Private Limited</li> <li>• Machpack Enterprises Private Limited</li> <li>• Karan Bottling Company Private Limited</li> <li>• Nevitad Distillers Private Limited</li> <li>• Kalani Packaging Industries Private Limited</li> <li>• Neptune Warehousing Services LLP</li> </ul> <b>HUF:</b> Kanyalal Kimatram Kalani HUF <b>Proprietorship:-</b> NIL <b>Partnership Firms:-</b> <ul style="list-style-type: none"> <li>• M/s Kanuhira Corporation</li> <li>• M/s Karan Agencies</li> <li>• M/s Krishna Farms</li> </ul> <b>Trust:-</b> President of Kalani Shaishanik Samajik Seva Sanstha Trust
	<b>Mrs. Jagjitkaur Amardeepsingh Sethi – Non Executive Director</b>	
	<b>Age</b>	38 Years
	<b>Address</b>	Trilok Villa P. No. 17-18, Town Centre N-1, CIDCO, Aurangabad-431003, Maharashtra, India
	<b>Qualification</b>	Bachelor of Arts
	<b>Experience</b>	3 years
	<b>Occupation</b>	Business
	<b>Permanent Account Number</b>	BFYPS8007M
	<b>Adhaar Card No.</b>	843531110764
	<b>Passport Number</b>	M5052881
	<b>Name of Bank &amp; Bank Account Details</b>	HDFC Bank, Shivani Chambers, Opposite Akashwani, Manjeet Nagar, Jalna Road, Aurangabad-431001, Maharashtra, India A/c No. - 50100035226740
	<b>Driving License Number</b>	Not Available
	<b>Voter Identification Card Number</b>	Not Available
	<b>No. of Equity Shares held in ADL [% of Shareholding (Pre Issue)]</b>	5,25,000 Equity Share aggregating to 8.75% of Pre Issue Paid up Capital



	<b>Other Interests</b>	<b>Other Directorship:</b> <ul style="list-style-type: none"> <li>• Satyam Spirits Private Limited</li> <li>• Metri Spirits Private Limited</li> <li>• Virat Spirits LLP</li> </ul> <b>HUF:</b> Member of Amardeepsingh Sethi HUF <b>Proprietorship:-</b> NIL <b>Partnership Firms:-</b> NIL <b>Trust:-</b> NIL
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## Declaration

Our Company confirms that the details of our Promoters viz., Permanent Account Number, Bank Account Number, Passport Number of our Promoters, has been submitted to NSE EMERGE at the time of filing the Prospectus with them.

## Undertaking/ Confirmations

None of our Promoters or Promoter Group or Group Companies/entities or person in control of our Company has been (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or (ii) refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act) nor our Group Companies/entities have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

## Common Pursuits/ Conflict of Interest

Our Promoters have interest in our Group Companies viz Satyam Spirit Pvt. Ltd., Metri Spirit Pvt. Ltd. Kapil Spirit Pvt. Ltd. Master Blenders Pvt. Ltd. and Nevitad Distillery Pvt. Ltd., which are engaged in the line of business similar to our Company. For details refer to Section titled “**Our Group Companies**” on page 155 of the Prospectus.

As on the date of this Prospectus, we cannot assure that our Promoters will not favor the interests of the said Company over our interest or that the said Company will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company. For further details, please see **Risk Factors** on page 15.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

## Interest of our Promoters

### 1. Interest in promotion of the Company

Our Company is promoted by Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi. Our promoters, as stated herein before, are interested to the extent that they have promoted our Company and to the extent of their shareholding in our Company and dividend payable thereon and to the extent of their relatives shareholding in our Company. Our Promoters who are also the Executive Directors and Non Executive of our Company 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 given by them to our Company.



Further except as provided hereunder, our promoter are not interested in our Company in any manner:

Sr. No.	Name of Promoter	Nature of interest
1	Mr. Amardeepsingh Triloksingh Sethi	1. Extended personal guarantee towards the borrowings of Rs. 3025.00 Lacs, made by the Company
2	Mr. Dharampal Kimatram Kalani	2. Relatives of Promoters have extended personal guarantee against the borrowings made by the Company.
3	Mr. Kanyalal Kimatram Kalani	3. Have extended unsecured loan to the Company.
4	Mrs. Jagjitkaur Amardeepsingh Sethi	4. Relatives have extended Unsecured Loans to the Company
		Mr. Amardeepsingh Triloksingh Sethi and Mrs. Jagjitkaur Amardeepsingh Sethi are spouse while Mr. Dharampal Kimatram Kalani and Mr. Kanyalal Kimatram Kalani are brothers and to that extent are interested in their dealings with the Company in any form.

For transactions in respect of loans and other monetary transactions entered in past please refer Annexure R on “**Related Party Transactions**” on page 194 forming part of “**Financial Information of the Company**” of this Prospectus.

## **2. Interest in the property of Our Company**

Except as disclosed in this Prospectus, our Promoters do not have any other interest in any property acquired by our Company in a period of two years before filing of this Prospectus or proposed to be acquired by us as on date of filing the Prospectus with ROC.

## **3. Interest as members of the Company**

Our Promoters are interested to the extent of their shareholding and the dividend declared in relation to such shareholding, if any, by our Company. For further details in this regard, please refer to “**Capital Structure**” on page 54 of this Prospectus.

## **4. Other interests**

Except as stated in this section and under the section “**Our Promoters and Promoter Group**” beginning on page 147 of this Prospectus and under the section “**Financial Statements – Related party Transactions**” beginning on page 194 of this Prospectus, our Promoters are not directly or indirectly interested in any transaction in acquisition of land or property, construction of building and supply of machinery, or any other contract, agreement or arrangement entered into by the Company and no payments have been made or are proposed to be made in respect of these contracts, agreements or arrangements.

## **Experience of Promoters in the line of business**

Our Promoters Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi are in the business of Distillery for more than ten years. The company shall also endeavour to ensure that relevant professional help is sought as and when required in the future.

## **Related Party Transactions**

For the transactions with our Promoters, Promoter Group members and Promoter Group Companies, please refer to section titled “**Annexure - R**” **Related Party Transactions**” on page 194 of this Prospectus.

## **Change in the management and control of our Company**

Our Promoters Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi are Promoters of our Company after the acquisition of business from Original Promoters in the year 2005. Hence the control has not been changed or acquired by Present Promoters within five years from date of this Prospectus.

**Payment or Benefit to Promoters of Our Company**

For details of payments or benefits paid to our Promoters, please refer to the paragraph “*Compensation of our Managing Director and Whole - time Director*” in the chapter titled “*Our Management*” beginning on page 132 Also refer Annexure R on “*Related Party Transactions*” on page 194 forming part of “*Financial Information of the Company*” and Paragraph on “*Interest of Promoters*” on page 150 of this Prospectus.

**Companies / Firms from which the Promoters have disassociated themselves in the last (3) three years**

Except as disclosed in hereunder, our Promoters have not disassociated themselves from any of the Companies, Firms or other entities during the last three years preceding the date of this Prospectus:-

**Mr. Amardeepsingh Triloksingh Sethi**

Name of Company	Reason for Disassociation
Metri Sugar and Trading Private Limited	Resignation from Directorship (Mr. Amardeepsingh Triloksingh Sethi was appointed as director in Metri Sugar and Trading Private Limited on 15.09.2000 but due to preoccupation he has resigned from this Company on 20.02.2015)

**Other ventures of our Promoters**

Save and except as disclosed in this section titled “*Our Promoters & Promoter Group*” and “*Our Group Companies*” beginning on page 147 and 155 of this Prospectus, there are no ventures promoted by our Promoters in which they have any business interests/ other interests.

**Litigation details pertaining to our Promoters**

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 217 of this 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(zb) (ii) of the SEBI (ICDR) Regulations, 2009, the Natural persons who are part of the Promoter Group (due to their relationship with the Promoters), other than the Promoters, are as follows:

Relationship	Mr. Amardeepsingh Triloksingh Sethi	Mr. Dharampal Kimatram Kalani	Mr. Kanyalal Kimatram Kalani	Mrs. Jagjitkaur Amardeepsingh Sethi
<b>Father</b>	Mr. Triloksingh Lalsingh Sethi	Late Mr. Kimatram Budhamal Kalani	Late Mr. Kimatram Budhamal Kalani	Mr. Harmindersingh Dumir
<b>Mother</b>	Mrs. Memkaur Triloksingh Sethi	Mrs. Rukhminibai Kalani	Mrs. Rukhminibai Kalani	Mrs. Harwantkaur Dumir
<b>Spouse</b>	Mrs. Jagjitkaur Amardeepsingh Sethi	Mrs. Sanjana Dharampal Kalani	Mrs. Ritika Kanyalal Kalani	Mr. Amardeepsingh Triloksingh Sethi
<b>Brother</b>	Mr. Hirasingsh Triloksingh Sethi, Mr. Ratansingh Triloksingh Sethi Mr. Ajeetsingh Triloksingh Sethi	Mr. Hiralal Kimatram Kalani Mr. Kanyalal Kimatram Kalani	Mr. Hiralal Kimatram Kalani Mr. Dharampal Kimatram Kalani	Mr. Rajanbirsingh Dumir, Mr. Damandeepsingh Dumir



<b>Sister</b>	None	None	None	None
<b>Son</b>	Mr. Anmolsingh Amardeepsingh Sethi, Mr. Harshrajsingh Amardeepsingh Sethi	None	Rahul Kanyalal Kalani	Mr. Anmolsingh Amardeepsingh Sethi, Mr. Harshrajsingh Amardeepsingh Sethi
<b>Daughter</b>	None	Ms. Nysa Kalani	Bhavishya Kanyalal Kalani	None
<b>Spouse's Father</b>	Mr. Harmindersingh Dumir	Mrs. Nandlal Jaisingh	Satyawan T Chug	Mr. Triloksingh Lalsingh Sethi
<b>Spouse's Mother</b>	Mrs. Harwantkaur Dumir	Mrs. Duru Jaisingh	Kanta Satyawan Chug	Mrs. Memkaur Triloksingh Sethi
<b>Spouse's Brother</b>	Mr. Rajanbirsingh Dumir, Mr. Damandeepsingh Dumir	Mr. Anil Jaisingh	Mukesh Satyawan Chug	Mr. Hirasingh Triloksingh Sethi, Mr. Ratansingh Triloksingh Sethi Mr. Ajeetsingh T Sethi
<b>Spouse's Sister</b>	None	Mrs. Deepa Hegde Mrs. Sanjana Meherchandani	None	None

*\* Additionally Mrs. Baljit Ratansingh Sethi and Mrs. Ramanjit Hirasingh Sethi also belongs to the Promoter Group.*

## **2. Corporate Entities or Firms forming part of the Promoter Group**

As per Regulation 2(zb) of the SEBI (ICDR) Regulations, 2009, the following entities would form part of our Promoter Group:

<b>Nature of Relationship</b>	<b>Entity</b>
Any Body corporate in which ten percent or more of the equity share capital is held by the promoter or an immediate relative of the promoter or a firm or HUF in which the promoter or any one or more of his immediate relative is a member.	<ol style="list-style-type: none"> <li>1. Brihan Karan Syndicate Private Limited</li> <li>2. Kalani Packaging Industries Private Limited</li> <li>3. Karan Bottling Company Private Limited</li> <li>4. Karan Distilleries Private Limited</li> <li>5. Karan Liquors Private Limited</li> <li>6. Karan Sugars Private Limited</li> <li>7. Machpack Enterprises Private Limited</li> <li>8. Master Blenders Private Limited</li> <li>9. Nevitad Distillers Private Limited</li> <li>10. Rukmini Beverages Private Limited</li> <li>11. Tripti Containers Private Limited</li> <li>12. Sanjit Moulds Private Limited</li> <li>13. Kapil Liquor and Spirits Private Limited</li> <li>14. Triloksons Resources Private Limited</li> <li>15. Deogaon Farms LLP</li> <li>16. Metri IT Park Limited Liability Partnership</li> <li>17. Metri Distilleries LLP</li> <li>18. Virat Spirits Limited Liability Partnership</li> <li>19. Neptune Warehousing Services LLP</li> </ol>
Any Body corporate in which a body corporate as provided above holds ten percent or more of the equity share capital	<ol style="list-style-type: none"> <li>1. Metri Spirits Private Limited.</li> <li>2. Satyam Spirits Private Limited</li> <li>3. Kapil Spirit Private Limited</li> </ol>
Any HUF or firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than ten percent of the total	<p><b>Partnership firm:-</b></p> <p>Kanuhira Corporation (Partners Mr. Kanyalal Kimatram Kalani &amp; Dharampal Kimatram Kalani)</p> <p>Karan Agencies (Partner Mr. Kanyalal Kimatram Kalani)</p> <p>Krishna Farms (Partner Mr. Kanyalal Kimatram Kalani)</p>



	<b>Proprietorship firm:-</b> Superpack Industries (Prop Dharampal Kimatram Kalani) <b>HUF's:-</b> Dharampal Kimatram Kalani (HUF) Kanyalal Kimatram Kalani (HUF) Amardeepsingh Triloksingh Sethi (HUF) <b>Trust:-</b> Kalani Shaikshanik Samajik Seva Sanstha Trust
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**OUR GROUP COMPANIES**

As per the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, Accounting Standard 18 issued by the Institute of Chartered Accountants of India in the Restated Financial Statements. Further, pursuant to a resolution of our Board dated June 15, 2016, for the purpose of disclosure in relation to Group Companies in connection with the Issue, a company shall be considered material and disclosed as a Group Company if said company is a member of the Promoter Group as per Regulation 2(zb) of SEBI(ICDR), 2009 as amended and our Company has entered into one or more transactions with such company in the preceding financial year, as the case may be, cumulatively exceeding 2% of the total revenue of the Company for such financial year, as the case may be. Following companies were considered to be material by our Board to be disclosed as a Group Company of our Company:-

1. Brihan Karan Sugar Syndicate Private Limited.
2. Satyam Spirits Private Limited
3. Metri Spirits Private Limited.
4. Karan Bottling Company Private Limited
5. Nevitad Distillers Private Limited
6. Master Blenders Private Limited
7. Kapil Spirits Private Limited
8. Triloksons Resources Private Limited

Except as stated above, our Board has determined that there are no other companies connected to our Promoters or the Promoter Group which are material to our Company having regard to the value of the transactions that our Company has entered into in the last five years with such entities, and the limited dependence that our Company has on these related parties from a business continuity perspective.

The details of our Group Companies are provided below:

**A. Details of Group Companies with negative net worth****1. Master Blenders Private Limited:-**

Brief Description of Business	To carry on the business of distillers, brewers, maltsters, compounders, rectifiers, processors, bottlers, merchants, exporters, importers, buyers, sellers, agents and otherwise dealers in all types of wines, spirits, alcohol and liquors such as gin, rum, whisky brandy, beer, ale, stout, porters, produced or processed from fermentation, distillation or by compounding or blending spirit with essence, colouring and flavouring substances or any other suitable process.		
Date of Incorporation	September 04, 1985		
CIN	U15500MH1985PTC037380		
PAN	AABCM3140K		
Registered Office Address	B-1, Daffodilhiranandini Garden, Powai, Mumbai-400076 Maharashtra, India		
Board of Directors*	Name		DIN
	Hiralal Kimatram Kalani		00282113
	Kanyalal Kimatram Kalani		00282182
	Pradeep Dunichand Kalani		02196281
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	100.00	100.00	100.00
Reserves and Surplus (excluding Revaluation Reserve	(207.00)	(208.83)	(67.23)



and Less Miscellaneous Expenses, if any )			
Net worth	(107.00)	(108.83)	32.77
Income including other income and exceptional items	1718.87	1955.98	2049.78
Profit/ (Loss) after tax	(3.16)	(136.60)	(58.53)
Earnings per share (face value of Rs. 10 each)	-	-	-
Net asset value per share (Rs)	-	-	-

\*As on date of Prospectus

\*\*As per Audited Financial Statements

**Shareholding Pattern as on the date of the Prospectus is as follows:**

Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
Kanyalal Kimatram Kalani	6,700	6.70
Hiralal Kimatram Kalani	6,750	6.75
Dharampal Kimatram Kalani	1,550	1.55
Pradeep Dunichand Kalani	85,000	85.00
<b>Total</b>	<b>1,00,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters:**

Name	Number of Shares held	%age of Shareholding	Relation with Promoter
Kanyalal Kimatram Kalani	6,700	6.70	Promoter
Hiralal Kimatram Kalani	6,750	6.75	Brother of Promoter
Dharampal Kimatram Kalani	1,550	1.55	Promoter
<b>Total</b>	<b>14950</b>	<b>15.00</b>	

Master Blenders Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**B. Details of Top 5 Group Companies by Turnover**

**1. Brihan Karan Sugar Syndicate Private Limited:-**

<b>Brief Description of Business</b>	To establish and carry on business as manufacturers, processors, dealers, traders, agents, godown keepers. stockiest, C&F agents, exporters and importers of all kinds, types, nature and description of sugar including sugar candy, sugar cubes, crystal sugar, cane sugar, beet sugar, maple sugar, khandsari sugar etc, in the form of powder, granules, cubes, & lumps, jaggery, molasses, bagasse, industrial alcohol, distilleries, breweries, and its products, by-products, residues, derivatives. formulations, substances and materials, including glucose, sucrose, lactose, fructose, maltose, molasses, confectioneries, chocolates, and to distill, prepare, manipulate, mix, blend, clean, pack, repack, protect, provide, promote, sponsor, market, modify, produce bottle. pressure & crush all sorts of liquors, whether country or foreign liquor, beverages, alcohol, wines and other similar products such as brandy, whiskey, rum, gin, beer, or derivatives combinations, solvents and mixtures.
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Date of Incorporation	February 15, 2008		
CIN	U15425MH2008PTC178959		
PAN	AADCB3954C		
Registered Office Address	Plot 5/A , Behind Hotel Natraj, Nasik Pune Road, Nasik-422101- Maharashtra, India		
Board of Directors*	Name	DIN	
	Hiralal Kimatram Kalani	00282113	
	Kanyalal Kimatram Kalani	00282182	
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	63.00	63.00	63.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	1112.88	912.70	671.78
Net worth	1175.88	975.70	734.78
Income including other income and exceptional items	15791.41	13321.19	12501.49
Profit/ (Loss) after tax	200.18	172.31	154.12
Earnings per share (face value of Rs. 10 each)	31.77	27.35	24.46
Net asset value per share (Rs)	186.65	154.87	116.63

\*As on date of Prospectus

\*\*As per Audited Financial Statements

**Shareholding Pattern as on the date of the Prospectus is as follows:**

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>%age of Shareholding</b>
Kanyalal Kimatram Kalani *	1,250	0.20
Hiralal Kimatram Kalani*	1,250	0.20
Karan Pradeep Kalani*	1,250	0.20
Tarun Girish Kalani*	625	0.10
Bavesh Manoj Kalani*	625	0.10
The Brihan Maharashtra Sugar Syndicate Limited	5,000	0.79
Kanyalal Kimatram Kalani (along with Hiralal Kalani as Joint holder)*	6,20,000	98.41
<b>Total</b>	<b>6,30,000</b>	<b>100.00</b>

\*Shares have been acquired on behalf of Karan Agencies, Partnership Firm

**Nature and extent of interest of our Promoters:**

<b>Name</b>	<b>Number of Shares held</b>	<b>%age of Shareholding</b>	<b>Relation with Promoter</b>
Kanyalal Kimatram Kalani	1,250	0.20	Promoter
Hiralal Kimatram Kalani	1,250	0.20	Brother of Promoter
Kanyalal K Kalani (along with Hiralal Kalani as Joint holder)	6,20,000	98.41	Promoter
<b>Total</b>	<b>6,22,500</b>	<b>98.81</b>	-

Brihan Karan Sugar Syndicate Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Brihan Karan Sugar Syndicate Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.



## 2. Satyam Spirits Private Limited

Brief Description of Business	to carry on the business in India or elsewhere the business as manufacturers, processors, producers, importers, exporters, agents, brokers, suppliers, wholesalers, retailers, distributors, stockiest, dealers, C&F agents, developers and to distill, prepare, manipulate, mix, blend, clean, pack, repack, protect, provide, promote, sponsor all sort of beverages, alcohols, wines, liquors, spirit and other similar products and combinations, mixtures thereof.		
Date of Incorporation	February 17, 2007		
CIN	U15541MH2007PTC167930		
PAN	AAKCS6582J		
Registered Office Address	32, Ajaydeep Complex, N - 3, CIDCO, Aurangabad - 431003 Maharashtra, India		
Board of Directors*	Name	DIN	
	Amardeepsingh Triloksingh Sethi	00097644	
	Jagjitkaur Amardeepsingh Sethi	01825035	
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	833.33	663.10	537.34
Net worth	834.33	664.10	538.34
Income including other income and exceptional items	13622.15	11345.63	11610.92
Profit/ (Loss) after tax	170.23	125.76	133.54
Earnings per share (face value of Rs. 10 each)	1702.23	1257.63	1335.42
Net asset value per share (Rs)	8343.34	6641.05	5383.41

\*As on date of Prospectus

\*\*As per Audited Financial Statements

### Shareholding Pattern as on the date of the Prospectus is as follows:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>%age of Shareholding</b>
Amardeepsingh Triloksingh Sethi	99	0.99
Jagjitkaur Amardeepsingh Sethi	100	1.00
Triloksons Resources Private Limited	9800	98.00
Neelam Jethwani	01	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>

### Nature and extent of interest of our Promoters :

<b>Name</b>	<b>Number of Shares held</b>	<b>%age of Shareholding</b>	<b>Relation with Promoter</b>
Amardeepsingh Triloksingh Sethi	99	0.99	Promoter
Jagjitkaur Amardeepsingh Sethi	100	1.00	Promoter
Triloksons Resources Private Limited	9800	98.00	Promoter Group Company
<b>Total</b>	<b>9999</b>	<b>99.99</b>	<b>-</b>

Satyam Spirit Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies



## Aurangabad Distillery Limited

(Special Provisions) Act, 1956 nor is under winding up. Further Satyam Spirit Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### 3. Metri Spirits Private Limited :-

Brief Description of Business	To carry on the business in India or elsewhere the business as manufacturers, processors, producers, importers, exporters, agents, brokers, suppliers, wholesalers, retailers, distributors, stockiest, dealers , C & F agents, developers and to distill, prepare, manipulate , mix, blend & clean, pack, repack, protect, provide, promoter, sponsor all sort of beverages, alcohols, wines, liquors, spirit and other similar products and combinations, mixtures thereof.		
Date of Incorporation	February 17, 2007		
CIN	U15549MH2007PTC167934		
PAN	AAECM9888R		
Registered Office Address	10, Ajaydeep Complex, N-3, CIDCO, Aurangabad-431003 Maharashtra, India.		
Board of Directors*	Name		DIN
	Ratansingh Triloksingh Sethi		00097601
	Amardeepsingh Triloksingh Sethi		00097644
	Jagjitkaur Amardeepsingh Sethi		01825035
	Ramanjitkaur Hirasingsh Sethi		02610314
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	618.80	505.35	387.94
Net worth	619.80	506.35	388.94
Income including other income and exceptional items	6800.87	6921.93	8053.40
Profit/ (Loss) after tax	113.45	117.41	121.74
Earnings per share (face value of Rs. 10 each)	1134.48	1174.05	1217.37
Net asset value per share (Rs)	6197.96	5063.48	3889.43

\*As on date of Prospectus

\*\*As per Audited Financial Statements

### Shareholding Pattern as on the date of the Prospectus is as follows:

<b>Name of the Equity Shareholder</b>	<b>No. of Shares held</b>	<b>% age of Shareholding</b>
Ratansingh Triloksingh Sethi	249	2.49
Ramanjitkaur Hirasingsh Sethi	250	2.50
Amardeepsingh Triloksingh Sethi	250	2.50
Jagjitkaur Amardeepsingh Sethi	250	2.50
Triloksons Resources Private Limited	9,000	90.00
Neelam Jethwani	1	0.01
<b>Total</b>	<b>10,000</b>	<b>100.00</b>



**Nature and extent of interest of our Promoters:**

Name	Number of Shares held	%age of Shareholding	Relation with Promoter
Ratansingh Triloksingh Sethi	249	2.49	Brother of Promoter
Amardeepsingh Triloksingh Sethi	250	2.50	Promoter
Jagjitkaur Amardeepsingh Sethi	250	2.50	Promoter
Triloksons Resources Private Limited	9,000	90.00	Promoter Group Company
<b>Total</b>	<b>9749</b>	<b>97.49</b>	

Metri Spirits Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Metri Spirits Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**4. Karan Bottling Company Private Limited :-**

Brief Description of Business	To establish and carry on in India or elsewhere the business to bottle, treat, refine, preserve, aerate, mineralise and to distill, prepare, manipulate, mix, blend, clean, pack, repack, protect, provide, promote, sponsor, market, modify, produce, pressure & crush and process, import, export and to act as agents, brokers, suppliers, wholesalers, retailers, distributors, stockists, dealers godown keepers of all sorts of beverages, tonics, milk & milk products, squashes, juices, soft drinks, syrups, water, malt, hops, liquor, alcohol, spirit and any other liquid whether made from natural or synthetic materials and to do all such incidental acts and things necessary for the attainment of above objects.		
Date of Incorporation	May 11, 2007		
CIN	U74990MH2007PTC193775		
PAN	AADCK2581L		
Registered Office Address	Plot No. 5/A, Behind Hotel Natraj, Nasik- Pune Road, Nasik Road, Nasik-422101 Maharashtra, India		
Board of Directors*	Name	DIN	
	Hiralal Kimatram Kalani	00282113	
	Kanyalal Kimatram Kalani	00282182	
	Devendra Shyamlal Behrani	02437591	
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	250.00	250.00	250.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	766.52	595.51	483.81
Net worth	1016.52	845.51	733.81
Income including other income and exceptional items	6343.92	5673.30	5556.08
Profit/ (Loss) after tax	123.47	111.67	106.33
Earnings per share (face value of Rs. 10 each)	4.94	4.47	4.25
Net asset value per share (Rs)	40.66	33.82	29.35

\*As on date of Prospectus

\*\*As per Audited Financial Statements



**Shareholding Pattern as on the date of the Prospectus is as follows:**

Name of the Equity Shareholder	No. of Shares held	% age of Shareholding
Devendra Shyamlal Behrani	5,000	0.20
Pradeep Nandwani	3,75,000	15.00
Brijesh Nandwani	3,75,000	15.00
Kanyalal Kalani (Jointly with all partners on behalf of Karan Agencies)	17,45,000	69.80
<b>Total</b>	<b>25,00,000</b>	<b>100.00</b>

**Nature and extent of interest of our Promoters:**

Name	Number of Shares held	% age of Shareholding	Relation with Promoter
Kanyalal Kalani (Jointly with all partners on behalf of Karan Agencies)	17,45,000	69.80	Promoter
<b>Total</b>	<b>17,45,000</b>	<b>69.80</b>	<b>-</b>

Karan Bottling Company Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Karan Bottling Company Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

**5. Kapil Spirits Private Limited :-**

Brief Description of Business	To carry on the business in India or elsewhere the business as manufacturers, processors, producers, importers, exporters, brokers, suppliers, wholesalers, retailers, distributors, stockiest, dealers, C & F agents, developers and to distill, prepare, manipulate, mix, blend, clean, pack, repack, protect, provide, promote, sponsor all sort of beverages, alcohols, wines, liquors, spirit and similar products and combination, mixtures thereof.		
Date of Incorporation	February 17, 2007		
CIN	U15541MH2007PTC167942		
PAN	AADCK0239K		
Registered Office Address	17, Ajaydeep Complex, N-3, CIDCO, Aurangabad – 431003, Maharashtra, India		
Board of Directors*	Name	DIN	
	Ratansingh Triloksingh Sethi	00097601	
	Harleensingh Hirasingh Sethi	07193867	
	(Rs. in Lacs, rounded off except per share data)		
Audited Financial Information**	For The Year Ended		
	March 31, 2015	March 31, 2014	March 31, 2013
Paid Up Equity Share Capital	1.00	1.00	1.00
Reserves and Surplus (excluding Revaluation Reserve and Less Miscellaneous Expenses, if any )	387.05	301.53	245.55
Net worth	388.05	302.53	246.55
Income including other income and exceptional items	5090.25	3655.70	3246.89
Profit/ (Loss) after tax	85.52	55.98	67.90
Earnings per share (face value of Rs. 10 each)	855.21	559.86	679.04





## Aurangabad Distillery Limited

Net asset value per share (Rs)	3880.55	3025.33	2465.47
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\*As on date of Prospectus

\*\*As per Audited Financial Statements

### Shareholding Pattern as on the date of the Prospectus is as follows:

Name of the Equity Shareholder	No. of Shares held	%age of Shareholding
Ratansingh Triloksingh Sethi	99	0.99
Ajitsingh Triloksingh Sethi	98	0.98
Triloksongs Resources Private Limited	9800	98.00
Vandana Ravindra Choudhary	1	0.01
Neelam Shankar Jethwani	1	0.01
Harleensingh Hirasingsh Sethi	1	0.01

### Nature and extent of interest of our Promoters :

Name	Number of Shares held	%age of Shareholding	Relation with Promoter
Ratansingh Triloksingh Sethi	99	0.99	Brother of Promoter
Ajitsingh Triloksingh Sethi	98	0.98	Brother of Promoter
Triloksongs Resources Private Limited	9800	98.00	Promoter Group Company
<b>Total</b>	<b>9997</b>	<b>99.97</b>	-

Kapil Spirits Private Limited is an unlisted Company and it has not made any public issue (including any rights issue to the public) in the preceding three years. The Company is neither a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1956 nor is under winding up. Further Kapil Spirits Private Limited does not have a negative net-worth in the immediately preceding year.

There are no defaults in meeting any statutory/bank/institutional dues. No proceedings have been initiated for economic offences against the Company.

### C. Other Group Companies

#### 1. Nevitad Distillers Private Limited :-

The Company was originally incorporated as Nevitad Distillers Private Limited on September 22, 1981 with Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U99999MH1981PTC025264. The registered office of the Company is situated at 274, Near Kalani Mahal Khemani, Ulhasnagar, Thane-421002 Maharashtra, India

The main object of the Company is to carry on the business of brewers, distillers and maltsters in all its branches and to purchase, sell, manufacture and deal in, potable liquors, spirits, India made foreign liquors, country liquors, alcohols, based products (whether intoxicating or not), and their by-products, to carry on the business of bottlers, bottle makers, bottle stopper makers and manufacturers of and merchants and dealers in the above.

The Authorised capital of the Company is Rs. 10,00,000/- divided into 1,00,000 shares of Rs. 10/- each and its issued, subscribed and paid capital of the Company is Rs. 7,42,500/- comprising of 74,250 equity shares of Rs. 10/- each.

Our Promoters holds directly or indirectly hold 80% of shareholding of Nevitad Distillers Private Limited and are interested to such extent of the shareholding.



## **2. Triloksons Resources Private Limited:-**

The Company was originally incorporated as Triloksons Resources Private Limited on February 17, 2007 with Registrar of Companies, Maharashtra, Mumbai. The Corporate Identification Number is U74120MH2007PTC167945. The registered office of the Company is situated at 33, Ajaydeep Complex, N-3, CIDCO, Aurangabad – 431003, Maharashtra, India.

The main object of the Company is to carry on the business in India or elsewhere of supply of laboures, qualified staff for security, packaging, gardening, housekeeping, material movement, industrial job workers and to provide all kind of RESOURCE MANAGEMENT SERVICES such as manpower management, material management, machine management, money management, MIS management, R&D management.

The Authorised capital of the Company is Rs. 5,00,000/- divided into 50,000 shares of Rs. 10/- each and its issued, subscribed and paid capital of the Company is Rs. 5,00,000/- comprising of 50,000 equity shares of Rs. 10/- each.

Our Promoters along with Promoter Group holds directly or indirectly hold 60% of shareholding of Triloksons Resources Private Limited and are interested to such extent of the shareholding.

### **Litigations**

For details on litigations and disputes pending against the Group Companies/Entities, if any, please refer to the section titled “**Outstanding Litigations and Material Developments**” on page 217 of this Prospectus.

### **Undertaking/Confirmations:**

None of our Promoters or Promoter Group or Group Companies or person in control of our Company has been

- (i) prohibited or debarred from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority or
- (ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company are or have ever been a promoter, director or person in control of any other company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our Promoters (as defined under the Companies Act), Promoter Group entities nor our Group Companies have been declared as a wilful defaulter by the RBI or any other government authority and there are no violations of securities laws committed by them in the past and no proceedings for violation of securities laws are pending against them.

None of our Promoters, Promoter Group Entities or the Group Companies have become sick Companies under the SICA and no application has been made in respect of any of them, to the Registrar of Companies for striking off their names. Further no winding up proceedings have been initiated against the Promoters or the Group Companies.

### **Nature and Extent of Interest of Group Companies**

#### **(a) In the promotion of our Company**

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled ““**Financial Information of the Company–Annexure R- Related Party Transaction** ” on page 194 of this Prospectus.



**(b) *In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Prospectus with Stock Exchange***

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Prospectus with Stock Exchange.

**(c) *In transactions for acquisition of land, construction of building and supply of machinery***

Except as stated in the Chapter titled “***Our Business***” beginning on page 104 of this Prospectus, none of our Group Companies are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

**Common Pursuits/Conflict of interest**

Except for as disclose in this Prospectus and common business in the Group Companies of the promoter group members, none of our Promoters/ Group Companies have any common pursuits. For details please refer to chapter titled “***Our Promoters & Promoter Group***” on page 147 of this Prospectus.

As on the date of the Prospectus, we cannot assure that our Promoters, Promoter Group/Group Companies will not promote any new entity in the similar line of business and will not favor the interests of the said entities over our interest or that the said entities will not expand their businesses which may increase our chances of facing competition. This may adversely affect our business operations and financial condition of our Company.

We shall adopt the necessary procedures and practices as permitted by law to address any conflicting situations, as and when they may arise.

**Related business transaction within the Group and their significance on the financial performance of the issuer:**

For details relating to the business transactions within the Group Companies and their significance on the financial performance of the issuer see the chapter titled “***Financial Information of the Company – Annexure R Related Party Transactions***” on page 194 of this Prospectus.

**Sales / Purchase between our Company and Group Companies:**

For details relating to sales or purchases between our Company and any of our Group Companies exceeding 10% of the sales or purchases of our Company see the chapter titled “***Financial Information of the Company–Annexure R- Related Party Transactions***” on page 194 of this Prospectus.

**Business Interests amongst our Company and Group Companies /Associate Companies**

Except as mentioned under Related Party Transactions, “***Annexure R***” beginning on page 194 under Chapter titled “Financial Information of the Company” there is no business interest among Group Company.

**Defunct /Struck-off Company**

None of Promoters, Promoter Group and our Group Companies has remained defunct and no application has been made to Registrar of Companies for Striking off their name from the Register of Companies, during the five years preceding the date of filing this prospectus.

**Changes in Accounting Policies in the last three years**

Except as mentioned under the paragraph Changes in Significant Accounting Policies, “***Annexure IV***” beginning on page 174 under Chapter titled “***Financial Information of the Company***” beginning on page 166 of the Prospectus, there have been no changes in the accounting policies in the last three years.



### **DIVIDEND POLICY**

Under the Companies Act, our Company can pay dividends upon a recommendation by our Board of Directors and approval by the shareholders at the general meeting of our Company. The Articles of Association of our Company give our shareholders, the right to decrease, and not to increase, the amount of dividend recommended by the Board of Directors.

The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. No dividend shall be payable for any financial except out of profits of our Company for that year or that of any previous financial year or years, which shall be arrived at after providing for depreciation in accordance with the provisions of Companies Act, 2013.

Our Company does not have any formal dividend policy for 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 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.

Our Company has not declared any dividend on the Equity Shares in the past five 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 V – FINANCIAL INFORMATION OF THE COMPANY**

**AUDITOR'S REPORT ON STANDALONE RESTATED FINANCIAL STATEMENTS**

**INDEPENDENT AUDITOR'S REPORT**

**(As required by Section 26 of Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014)**

To,

**The Board of Directors,  
Aurangabad Distillery Limited  
560, Preeti Apartment, 1<sup>st</sup> floor 18<sup>th</sup> Road,  
Next to Laxminarayan Mandir,  
Khar West, Mumbai-400052**

Dear Sir,

**1. Report on Restated Financial Statements**

We have examined the Restated Financial Statements of Aurangabad Distillery Limited (formerly known as Aurangabad Distillery Private Limited) (hereinafter referred as “the Company”), the summarized statements of which annexed to this report have been prepared in accordance with the requirements of:

- i) Section 26 read with the applicable provisions within Rule-4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 of Companies Act, 2013, As amended (hereinafter referred to as the “Act”) and
  - ii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“the Regulation”) (“SEBI ICDR Regulations”) issued by the Securities and Exchange Board of India (SEBI) and amendments made thereto from time to time;
  - iii) The terms of reference to our engagements with the Company requesting us to examine financial statements referred to above and proposed to be included in the Draft Prospectus/ Prospectus being issued by the Company for its proposed Initial Public Offering of equity shares in SME Platform (“IPO” or “SME IPO”); and
  - iv) The (Revised) Guidance Note on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India (“ICAI”)
  - v) In terms of Schedule VIII of the SEBI (ICDR) Regulations, 2009 and other provisions relating to accounts, We, **M/s S.S. Rath & Co.**, Chartered Accountants, have been subjected to the peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the “Peer Review Board” of the ICAI.
2. The Restated Summary Statements and Financial information of the Company have been prepared by the management from the Audited Financial Statements of the Company for the financial year ended March 31, 2012, March 31, 2013, March 31, 2014, March 31, 2015, and March 31, 2016 which have been approved by the Board of Directors.
  3. Financial Statements for the financial year ended on March 31, 2012 to March 2016 has been audited by M/s Natesh and Associates, Chartered Accountants, and accordingly reliance has been placed on the financial information examined by them for the said Years. The Financial Report included for these years is based solely on the report submitted by them.
  4. We have carried out re-audit of the financial statements for the year ended on March 31, 2016, as required by SEBI regulations.



**5. Financial Information as per Audited Financial Statements:**

1. We have examined:

- a) The attached Restated Statement of Assets and Liabilities of the company, as at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 (Annexure I);
- b) The attached Restated Statement of Profits and Losses of the Company for financial Years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012. (Annexure II);
- c) The attached Restated Statement of Cash Flows of the Company for financial Years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012. (Annexure III);
- d) The Significant Accounting Policies adopted by the Company and notes to the Restated Financial Statements along with adjustments on account of audit qualifications / adjustments / regroupings. (Annexure IV);

(Collectively hereinafter referred as “**Restated Financial Statements**” or “**Restated Summary Statements**”)

2. In accordance with the requirements of Act, ICDR Regulations, Guidance Note on the reports in Company Prospectus (Revised) issued by ICAI and the terms of our Engagement Letter, we further report that:

- (i) The “**Restated Statement of Assets and Liabilities**” as set out in **Annexure I** to this report, of the Company as at March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 are prepared by the Company and approved by the Board of Directors. This Statement of Assets and Liabilities, as restated have been arrived at after making such adjustments and regroupings to the individual Financial Statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (ii) The “**Restated Statement of Profit and Loss**” as set out in **Annexure II** to this report, of the Company for financial Years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 are prepared by the Company and approved by the Board of Directors. This Statement of Profit and Loss, as restated have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- (iii) The “**Restated Statement of Cash Flow**” as set out in **Annexure III** to this report, of the Company for financial Years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 are prepared by the Company and approved by the Board of Directors. This Statement of Cash Flow, as restated, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Restated Summary Statements as set out in **Annexure IV** to this Report.

Based on the above and also as per the reliance placed by us on the audited financial statements of the company and Auditors Report thereon which have been prepared by Statutory Auditor of the Company for the years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 we are of the opinion that “**Restated Financial Statements**” or “**Restated Summary Statements**” have been made after incorporating:

- a) Adjustments for any material amounts in the respective financial years have been made to which they relate; and
- b) There are no Extra-ordinary items that need to be disclosed separately in the Restated Summary Statements.
- c) Adjustments on account of the statutory audit qualifications, if any, have been adjusted and regrouped to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to the Restated Summary Statements as set out in **Annexure IV** to this Report.
- d) Adjustments in Financial Statements have been made in accordance with the correct accounting policies, which includes the impact of provision of gratuity made on actuarial valuation basis in the Restated Financial statements.



- e) There was no change in accounting policies, which needs to be adjusted in the “Restated Financial Statements”.
- f) There are no revaluation reserves, which need to be disclosed separately in the “**Restated Financial Statements**.”
- g) The Company has not paid any dividend on its equity shares till March 31, 2016.

## **6. Other Financial Information:**

1. We have also examined the following financial information as set out in annexure prepared by the Management and as approved by the Board of Directors of the Company for the Years ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

Restated Statement of Share Capital, Reserves And Surplus	Annexure-A
Restated Statement of Long Term And Short Term Borrowings	Annexure-B, B(A) and B(B)
Restated Statement of Deferred Tax (Assets) / Liabilities	Annexure-C
Restated Statement of Long Term Provisions	Annexure-D
Restated Statement of Trade Payables	Annexure-E
Restated Statement of Other Current Liabilities And Short Term Provisions	Annexure-F
Restated Statement of Fixed Assets	Annexure-G
Restated Statement of Non-Current Investments	Annexure-H
Restated Statement of Long-Term Loans And Advances	Annexure-I
Restated Statement of Inventory	Annexure-J
Restated Statement of Trade Receivables	Annexure-K
Restated Statement of Cash & Cash Equivalents	Annexure-L
Restated Statement of Short-Term Loans And Advances	Annexure-M
Restated Statement of Other Current Assets	Annexure-N
Restated Statement of Other Income	Annexure-O
Restated Statement of Turnover	Annexure-P
Restated Statement of Mandatory Accounting Ratios	Annexure-Q
Restated Statement of Related party transaction	Annexure-R
Restated Statement of Capitalization	Annexure-S
Restated Statement of Tax shelter	Annexure-T
Restated Statement of Contingent liabilities	Annexure-U

2. The Restated Financial Information contain all the disclosures required by the SEBI ICDR regulations and partial disclosures as required by Accounting Standards notified under section 133 of Companies Act, 2013.
3. We have carried out Re-audit of the financial statements for the Year ended on March 31, 2016 as required by SEBI regulations. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2016. Accordingly, we do not express any opinion on the financial position, results or cash flows of the Company as of any date or for any period subsequent to March 31, 2016.
4. The preparation and presentation of the Financial Statements referred to above are based on the Audited financial statements of the Company in accordance with the provisions of the Act and the Financial Information referred to above is the responsibility of the management of the Company.
5. In our opinion, the above financial information contained in Annexure I to III and Annexure A to U of this report read along with the Restated statement of Significant Accounting Policies and Notes as set out in Annexure IV are prepared after making adjustments and regrouping as considered appropriate and have been prepared in accordance with paragraph B, Part II of Schedule II of the Act, the SEBI Regulations, The Revised Guidance Note on Reports in Company Prospectus and Guidance Note on Audit Reports/Certificates on Financial Information in Offer Documents issued by the Institute of Chartered Accountants of India (“ICAI”) to the extent applicable, as amended from time to time, and in terms of our engagement as agreed with you. We did not perform audit tests for the purpose of expressing an opinion on individual balances of account or summaries of selected transactions, and accordingly, we express no such opinion thereon.





6. Consequently the financial information has been prepared after making such regroupings and adjustments as were, in our opinion, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
7. The report should not in any way be construed as a re-issuance or re-dating of any of the previous audit report, nor should this constructed as a new opinion on any of the financial statements referred to herein.
8. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
9. Our report is intended solely for use of the management and for inclusion in the Offer Document in connection with the IPO-SME for Proposed Issue of Equity Shares of the Company and our report should not be used, referred to or adjusted for any other purpose without our written consent.

## **7. Auditor's Responsibility**

Our responsibility is to express an opinion on these restated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **8. Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the restated financial statements read together with the notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent applicable.

- a) In the case of Restated Statement of Assets and Liabilities of the Company as at 31<sup>st</sup> March, 2012, 31<sup>st</sup> March, 2013, 31<sup>st</sup> March 2014, 31<sup>st</sup> March, 2015 and 31<sup>st</sup> March, 2016;
- b) In the case of the Restated Statement of Profit and Loss, of the profit of the Company for the Years ended on that date; and
- c) In the case of the Restated Cash Flow Statement, of the cash flows of the Company for the Years ended on that date.

**For S. S. Rath & Co.**  
**Chartered Accountants**  
**Firm Registration No.108726W**

**CA RAVI K JAGETIYA**  
**Partner**  
**Membership No. 134691**  
**Date: June 27, 2016**  
**Place: Mumbai**



**ANNEXURE – I**  
**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Amount in Rs.)

PARTICULARS		AS AT 31ST MARCH				
		2016	2015	2014	2013	2012
<b>A) EQUITY AND LIABILITIES</b>						
1.	Shareholders' Funds					
(a)	Share Capital	20000000	20000000	20000000	20000000	20000000
(b)	Reserves & Surplus	132626041	75237893	99755387	83794148	81566071
	Total (1)	152626041	95237893	119755387	103794148	101566071
2.	Non Current Liabilities					
(a)	Long Term Borrowings	106708625	180594686	101510063	88725807	115383405
(b)	Deferred Tax Liabilities (Net)	51798466	66562746	31822368	29976420	29063928
(c)	Long Term Provisions	5327413	5410750	4762314	4089221	3830973
	Total (2)	163834504	252568182	138094745	122791448	148278307
3.	Current Liabilities					
(a)	Short Term Borrowings	157812055	57724237	39942730	40285980	1302601
(b)	Trade Payables	-39271107	-2368333	-21851997	10603154	18766745
(c)	Other Current Liabilities	27451011	23525121	6268813	3085938	2022761
(d)	Short Term Provisions	10446572	6228116	3817771	2821329	3747491
	Total (3)	156438531	85109141	28177317	56796401	25839598
	<b>GRAND TOTAL (1+2+3)</b>	<b>472899075</b>	<b>432915216</b>	<b>286027450</b>	<b>283381998</b>	<b>275683976</b>
<b>B) ASSETS</b>						
1.	Non Current Assets					
(a)	Fixed Assets					
	i) Tangible Assets	280428235	182982418	192654993	194555182	195035833
	ii) Capital Work in Progress	21368670	110138957	4686626	0	409999
	Total (1)	301796905	293121375	197341619	194555182	195445832
(b)	Non-Current Investment	28300	28300	28300	28300	2516300
(c)	Deferred Tax Assets (Net)					
(c)	Long Term Loans and Advances	64262110	78380738	39455456	20051575	5269012
(d)	Other Non Current Assets	0	0	0	0	0
	Total (1A)	64290410	78409038	39483756	20079875	7785312
2.	Current Assets					
(a)	Inventories	38912815	41926173	25912823	24285443	8695365
(b)	Trade Receivables	124215	-9057956	-6016309	8649145	26384013
(c)	Cash and Cash equivalents	22237396	1535183	1977905	1663474	314039
(d)	Short-Term Loans and Advances	45537334	26981403	27327657	34148879	37059415
	Total (2)	106811760	61384803	49202075	68746941	72452832
	<b>GRAND TOTAL (1+1A+2)</b>	<b>472899075</b>	<b>432915216</b>	<b>286027450</b>	<b>283381998</b>	<b>275683976</b>



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

(Amount in Rs.)

PARTICULARS		FOR THE YEAR ENDED 31ST MARCH				
		2016	2015	2014	2013	2012
1	Revenue From Operation	485329015	406463313	368488197	308955092	261441184
	Less: Excise Duty	23529038	44153384	36672199	26192612	15692164
	Revenue from Operation (Net)	461799977	362309929	331815998	282762480	245749020
2	Other Income	1682722	161670	237831	3863129	97261
	<b>Total Revenue (1+2)</b>	<b>463482699</b>	<b>362471599</b>	<b>332053829</b>	<b>286625609</b>	<b>245846281</b>
3	Expenditure					
(a)	Cost of Goods Consumed	304267446	292731901	248970110	223589667	162199060
(a)	Purchase of Traded Goods	0	0	0	0	0
(c)	Changes in Inventories of finished goods, work in progress and stock -in-trade	2210228	-7069436	-5030826	-4890768	-2939928
(d)	Employee Benefit Expenses	14500790	12664488	13357431	10614216	8417634
(e)	Finance Cost	16212133	4702357	6932242	8185848	11730240
(f)	Depreciation and Amortization Expenses	17270488	12304745	13289356	12548440	11832305
(g)	Other Expenses	60267089	29344921	33467767	24703029	35679068
4	<b>Total Expenditure 3(a) to 3(g)</b>	<b>414728175</b>	<b>344678976</b>	<b>310986081</b>	<b>274750432</b>	<b>226918379</b>
5	Profit/(Loss) Before Tax (2-4)	48754524	17792623	21067749	11875177	18927902
6	Tax Expense:					
(a)	Tax Expense for Current Year	9675000	6050000	3000000	2300000	3620000
(b)	Short/(Excess) Provision of Earlier Year	-3544343	1519739	260562	360823	-101030
(c)	Deferred Tax	-14764280	34740376	1845948	912492	3049566
	Net Current Tax Expenses	-8633623	42310117	5106510	3573315	6568536
7	Profit/(Loss) for the Year (5-6)	57388148	-24517494	15961239	8301862	12359366



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

(Amount in Rs.)

PARTICULARS	FOR THE YEAR ENDED 31ST MARCH				
	2016	2015	2014	2013	2012
<b>A) Cash Flow From Operating Activities :</b>					
Net Profit before tax	48754524	17792623	21067749	11875177	18927902
Adjustment for :					
Depreciation	17270488	12304745	13289356	12548440	11832305
Interest Paid	16212133	4702357	6932242	8185848	11730240
Interest Income	-1223263	-143289	-157622	-380452	-7907
Dividend Income	-3750	-2500	-2500	-5000	-5000
Write off of Preliminary Expenditure					102048
Prior Period Income adjusted with Reserves		0	0	0	216689
Operating profit before working capital changes	81010132	34653936	41129225	32224013	42796277
Changes in Working Capital					
(Increase)/Decrease in Inventories	3013358	-16013350	-1627380	-15590078	3526065
(Increase)/Decrease in Trade Receivables	-9331182	3041646	14665454	17734868	-750556
(Increase)/Decrease in Short Term Loans & Advances	-18556931	346254	6821222	2910536	-3693611
Increase/(Decrease) in Trade Payables	-36630547	19483664	-32455151	-8163591	744261
Increase/(Decrease) in Other Current Liabilities	7348017	17256308	3182875	1063177	-5508209
Increase/(Decrease) in Short Term Provisions	593456	-639655	296442	393838	127491
Increase/(Decrease) in Long Term Provisions	-83337	648436	673093	258248	3830973
Cash generated from operations	27362966	58777239	32685780	30831010	41072691
Less:- Income Taxes paid	3886968	5521636	1560562	5153311	972997
Cash Flow Before Extraordinary Item	23475998	53255603	31125218	25677699	40099694
Loss on Amalgamation	0	0	0	6073785	0
<b>Net cash flow from operating activities</b>	<b>23475998</b>	<b>53255603</b>	<b>31125218</b>	<b>19603914</b>	<b>40099694</b>
<b>B) Cash Flow From Investing Activities :</b>					
Purchase of Fixed Assets	-25946017	-108084501	-16075793	-11657790	-12058715
Investment made during the year		0	0	2488000	0
Dividend Income	3750	2500	2500	5000	5000
Increase/(Decrease) in Long Term Loans and Advances	11955596	-37923385	-20403881	-13610075	-1906393
Interest Income	1223263	143289	157622	380452	7907
<b>Net cash flow from investing activities</b>	<b>-12763408</b>	<b>-145862097</b>	<b>-36319552</b>	<b>-22394413</b>	<b>-13952201</b>
<b>C) Cash Flow From Financing Activities :</b>					
Proceeds from Issue of Share Capital	0	0	0	0	0
Increase/(Decrease) in Short Term Borrowings	100087818	17781507	-343249	38983379	-2436428
Increase/(Decrease) in Long Term Borrowings	-73886061	79084623	12784256	-26657598	-12149495



Interest Paid	-16212133	-4702357	-6932242	-8185848	-11730240
<b>Net cash flow from financing activities</b>	<b>9989624</b>	<b>92163772</b>	<b>5508765</b>	<b>4139932</b>	<b>-26316163</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	20702213	-442721	314431	1349434	-168670
Cash equivalents at the beginning of the year	1535183	1977905	1663474	314039	482710
Cash equivalents at the end of the year	22237396	1535183	1977905	1663474	314040

**Notes:**

Particulars	As on 31 <sup>st</sup> March, 2016	As on 31 <sup>st</sup> March, 2015	As on 31 <sup>st</sup> March, 2014	As on 31 <sup>st</sup> March, 2013	As on 31 <sup>st</sup> March, 2012
Component of Cash and Cash equivalents					
Cash on hand	744183	681730	831132	334302	28696
Balance With banks	21213541	733411	1026731	340318	176950
Other Bank Balance	279672	120042	120042	988853	108393
Total	22237396	1535183	1977905	1663474	314040

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.



## **ANNEXURE-IV**

### **SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE RESTATED SUMMARY STATEMENTS**

#### **A. BACKGROUND**

Aurangabad Distillery Private Limited, registered office at 560, Preeti Apartment, 1<sup>st</sup> floor 18<sup>th</sup> Road, Next to Laxminarayan Mandir, Khar West, Mumbai-400052, was incorporated on 03/08/2000 under the provisions of Companies Act, 1956 in Mumbai, Maharashtra and started its business in the year 2005 by acquisition of Distillery. Now, the Company is engaged in the business of manufacturing of Spirits. Company has been changed from Pvt. Ltd Company to a limited Company on June 07, 2016. However, no money has been raised by the Company through public issue as on date.

#### **B. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

##### **1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Restated Summary Statement of Assets and Liabilities of the Company as on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012, and the Restated Summary Statement of Profit and Loss and Restated Summary Statements of Cash Flows for the year ended on March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012 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 year ended March 31, 2016, March 31, 2015, March 31, 2014, March 31, 2013 and March 31, 2012.

The financial statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, 1956 (up to March 31, 2014), and notified sections, schedules and rules of the Companies Act 2013 (with effect from April 01, 2014), including the Accounting Standards as prescribed by the Companies (Accounting Standards) Rules, 2006 as per section 211(3C) of the Companies Act, 1956 (which are deemed to be applicable as Section 133 of the Companies Act, 2013 (“the Act”) read with Rule 7 of Companies (Accounts) Rules, 2014).

##### **2. USE OF ESTIMATES**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities, if any, as at the date of the financial statements and reported amounts of income and expenses during the year. Examples of such estimates include provisions for doubtful debts, employee retirement benefit plans, provision for income tax and the useful lives of fixed assets. The difference between the actual results and estimates are recognized in the period in which results are known or materialized.

##### **3. FIXED ASSETS**

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Cost includes purchase price and all other attributable cost to bring the assets to its working condition for the intended use.

Subsequent expenditures related to an item of tangible asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Projects under which assets are not ready for their intended use are shown as Capital Work-in-Progress. Cost includes cost of purchase, construction of foundation, technical services related to installation, borrowing costs and other overheads relating to projects.



#### **4. DEPRECIATION**

##### **Tangible Fixed Assets**

Pursuant to Companies Act, 2013 ('the Act') being effective from 1 April 2014, the Company has revised depreciation rates on tangible fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act.

In accordance with AS-6 "Depreciation", depreciation on tangible fixed assets is computed on considering useful life provided in the Schedule - II of the Act. The Company has followed the method of depreciation i.e. Straight Line Method, consistently over the period of time.

Pursuant to Companies Act, 2013 ('the Act') being effective from April 1, 2014, the Company has revised depreciation rates on tangible fixed assets as per useful life specified in Part 'C' of Schedule II of the Act. And due to the same there has been a change in the estimated useful life of depreciable tangible assets which affects the depreciation in the current period and in each period during the remaining useful life of the assets. As the change is only in regard to accounting estimate requiring an adjustment of the carrying amount of tangible assets. The same do not require adjustment in the financial information for the years ended on March 31, 2014, 2013 and 2012.

In respect of assets whose useful life had already exhausted as on 1 April 2014, has been adjusted in Profit & Loss account for the year ended March 31, 2014 in accordance with requirements of Para 7 of Schedule II of the Companies Act, 2013.

#### **5. BORROWING COSTS**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

#### **6. IMPAIRMENT OF ASSETS**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's (including goodwill) recoverable amount is the higher of an assets net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

#### **7. INVESTMENTS**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.





On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

## **8. INVENTORIES**

- i. **Raw Material** is valued at landed cost on FIFO basis or Market value whichever is lower.
- ii. **Stores, Packing materials, and consumables** is valued at landed cost on FIFO basis or Market value whichever is lower.
- iii. **Scrap materials** is valued at net realizable value.
- iv. **Work-in-process** is valued at cost or net realizable value, whichever is lower. Costs for this purpose include direct costs and appropriate portion of the manufacturing overheads incurred for conversion from raw materials on proportionate basis. It is assumed that the work-in-process is 50% complete for valuation.
- v. **Finished goods** are valued at cost or market value, whichever is lower. Cost for this purpose includes direct costs and appropriate portion of the manufacturing overheads incurred for conversion from raw materials on proportionate basis.

## **9. REVENUE RECOGNITION**

- ii. 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.
- iii. Sale is recognized on dispatch to goods from point of sales.
- iv. Other income is accounted for on accrual basis in accordance with Accounting Standards (AS) 9- "Revenue Recognition".

## **10. FOREIGN CURRENCY TRANSACTIONS**

Transaction denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction and any income or expenses on account of exchange difference either on settlement or on translation is recognized in the Statement of profit and Loss except in case where they relate to acquisition of fixed assets in which case they are adjusted with the carrying cost of such assets.

## **11. EMPLOYEE BENEFITS**

### **Defined-contribution plans:**

(i) Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when an employee renders the related services. The company has no obligation, other than the contribution payable to the provident fund.

(ii) The company operates one defined benefit plan for its employees, viz., gratuity liability. The costs of providing benefits under this plan are determined on the basis of actuarial valuation at each year-end. Actuarial valuation is carried out using the projected unit credit method made at the end of each reporting date. Actuarial gains and losses for the defined benefit plans are recognized in full in the period in which they occur in the statement of profit and loss.

(iii) Compensated absences which accrue to employees and which is expected to be utilized or encashed within the next 12 months from reporting date, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Accounting of unutilized earned leaves is done on the basis valuation done by independent actuary.

## **12. SEGMENT ACCOUNTING**

### **(i) Business Segment**

(a) The business segment has been considered as the primary segment.



(b) The Company's primary business segments are reflected based on principal business activities, the nature of service, the differing risks and returns, the organization structure and the internal financial reporting system.

(c) The Company's primary business comprises of manufacturing of rectified spirits and special denatured spirits for industrial use and since it is the only reportable segment as envisaged in Accounting Standard 17 'Segment Reporting'. Accordingly, no separate disclosure for Segment reporting is required to be made in the financial statements of the Company.

**(ii) Geographical Segment**

The Company operates in one Geographical Segment namely "within India" and hence no separate information for geographic segment wise disclosure is required.

**13. ACCOUNTING FOR TAXES ON INCOME**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

(i) Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

(ii) Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

**14. CONTINGENT LIABILITIES AND PROVISIONS**

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made.

Contingent Liability is disclosed for

- a) Possible obligation which will be confirmed only by future events not wholly within the control of the Company or
- b) Present obligations arising from the past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.
- c) Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

A disclosure for a contingent liability is 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 that the likelihood of outflow of resources is remote, no provision or disclosure is made.



## **15. EARNINGS PER SHARE:**

In determining the Earnings Per share, the company considers the net profit after tax which does not include any post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period.

The number of shares used in computing Diluted earnings per share comprises the weighted average number of shares considered for computing Basic Earnings per share and also the weighted number of equity shares that would have been issued on conversion of all potentially dilutive shares.

In the event of issue of bonus shares, the number of equity shares outstanding is increased without an increase in the resources. The number of Equity shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event had occurred at the beginning of the earliest period reported.

## **16. CASH FLOW:**

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of 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. Cash flows from operating, investing and financing activities of the Company are segregated, accordingly.

## **C. CHANGES IN ACCOUNTING POLICIES IN THE PERIOD/YEARSS COVERED IN THE RESTATED FINANCIALS**

There is no change in significant accounting policies.

## **D. NOTES ON RESTATEMENTS MADE IN THE RESTATED FINANCIALS**

1. The financial statements including financial information have been prepared after making such regroupings and adjustments, considered appropriate to comply with the same. As result of these regroupings and adjustments, the amount reported in the financial statements/information may not necessarily be same as those appearing in the respective audited financial statements for the relevant years.
2. The Company does not have information as to which of its supplier are Micro small and Medium Enterprise registered under The Micro small and Medium Enterprise Development Act 2006. Consequently the liability, if any, of interest which would be payable under The Micro small and Medium Enterprise Development Act 2006, cannot be ascertained. However, the Company has not received any claims in respect of such interest and as such, no provision has been made in the books of accounts.

## **3. Employee benefits:**

The Company has adopted the Accounting Standard 15 (revised 2005) on Employee Benefits as per an actuarial valuation carried out by an independent actuary. The disclosures as envisaged under the standard are as under:-

### **A) Gratuity**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>	<b>2013-14</b>	<b>2012-13</b>	<b>2011-12</b>
<b>1.The amounts recognised in the Balance Sheet are as follows:</b>					
Present value of unfunded obligations Recognized	5443349	4950390	4909895	4074215	3482812
<b>Net Liability</b>	<b>5443349</b>	<b>4950390</b>	<b>4909895</b>	<b>4074215</b>	<b>3482812</b>
<b>2.The amounts recognised in the Profit &amp; Loss A/c are as follows:</b>					
Current Service Cost	289631	273753	277585	243382	210493



Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Interest on Defined Benefit Obligation	396031	392792	325937	278625	0
Net Actuarial Losses / (Gains) Recognized in Year	(192703)	(626050)	232158	69396	3272319
Past Service Cost					
Total, Included in "Salaries, Allowances & Welfare"	<b>492959</b>	<b>40495</b>	<b>835680</b>	<b>591403</b>	<b>3482812</b>
<b>3.Changes in the present value of defined benefit obligation:</b>					
Defined benefit obligation as at the beginning of the year/period	4950390	4909895	4074215	3482812	0
Service cost	289631	273753	277585	243382	210493
Interest cost	396031	392792	325937	278625	0
Actuarial Losses/(Gains)	(192703)	(626050)	232158	69396	3272319
Past Service Cost	0	0	0	0	0
<b>Defined benefit obligation as at the end of the year/period</b>	<b>5443349</b>	<b>4950390</b>	<b>4909895</b>	<b>4074215</b>	<b>3482812</b>
<b>Benefit Description</b>					
Benefit type:	Gratuity Valuation as per Act				
Retirement Age:	60 years	60 years	60 years	60 years	60 years
Vesting Period:	5 years	5 years	5 years	5 years	5 years
<b>The principal actuarial assumptions for the above are:</b>					
Future Salary Rise:	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A
Discount rate per annum:	8.00%P.A	8.00%P.A	8.00%P.A	8.00%P.A	8.00%P.A
Attrition Rate:	2.00%P.A	2.00%P.A	2.00%P.A	2.00%P.A	2.00%P.A
Mortality Rate:	IALM 2006-08	IALM 2006-08	IALM 2006-08	LIC 94-96	LIC 94-96

B) Leave Encashment

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>1.The amounts recognised in the Balance Sheet are as follows:</b>					
Present value of unfunded obligations recognised	655636	638476	670190	536335	475652
<b>Net Liability</b>	<b>655636</b>	<b>638476</b>	<b>670190</b>	<b>536335</b>	<b>475652</b>
<b>2.The amounts recognised in the Profit &amp; Loss A/c are as follows:</b>					
Current Service Cost	47436	56682	63832	50657	48188
Interest on Defined Benefit Obligation	51078	53615	42907	38052	0
Net Actuarial Losses / (Gains) Recognized in Year	(81354)	(142011)	27116	28026	427464
Past Service Cost					
Total, Included in "Salaries, Allowances & Welfare"	<b>17160</b>	<b>(31714)</b>	<b>133855</b>	<b>60682</b>	<b>475652</b>
<b>3.Changes in the present value of defined benefit obligation:</b>					
Defined benefit obligation as at the beginning of the year/period	638476	670190	536335	475652	0
Service cost	47436	56682	63832	50657	48188
Interest cost	51078	53615	42907	38052	0
Actuarial Losses/(Gains)	(81354)	(142011)	27116	28026	427464
Past Service Cost	0	0	0	0	0



Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Defined benefit obligation as at the end of the year/period</b>	<b>655636</b>	<b>638476</b>	<b>670190</b>	<b>536335</b>	<b>475652</b>
<b>Benefit Description</b>					
Benefit type:	Gratuity Valuation as per Act				
Retirement Age:	60 Years	60 Years	60 Years	60 Years	60 Years
<b>The principal actuarial assumptions for the above are:</b>					
Future Salary Rise:	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A	5.00%P.A
Discount rate per annum:	8.00%P.A	8.00%P.A	8.00%P.A	8.00%P.A	8.00%P.A
Attrition Rate:	2.00%P.A	2.00%P.A	2.00%P.A	2.00%P.A	2.00%P.A
Mortality Rate:	IALM 2006-08	IALM 2006-08	IALM 2006-08	LIC 94-96	LIC 94-96

#### 4. Segment Reporting (AS 17)

The Company is required to disclose the information required by Accounting Standard- 17. No separate segments have, however, been reported as the company does not have more than one business Segment within the meaning of Accounting standard -17, which differ from each other in risk and reward.

#### 5. Provisions, Contingent Liabilities and Contingent Assets (AS 29)

Contingent liabilities and commitments (to the extent not provided for). There are no contingent liabilities as on March 31, 2016 except as mentioned in Annexure -U, for any of the years covered by the statements.

#### 6. Related Party Disclosure (AS 18)

Related party transactions are reported as per AS-18 of Companies (Accounting Standards) Rules, 2006, as amended, in the Annexure – R of the enclosed financial statements.

#### 7. Accounting For Taxes on Income (AS 22)

Deferred Tax liability/Asset in view of Accounting Standard – 22: “Accounting for Taxes on Income” as at the end of the year/period is reported as under:

Particulars	Amount In Rs.				
	As at				
	31/03/2016	31/03/2015	31/03/2014	31/03/2013	31/03/2012
Deferred Tax Liability (A)					
Net WDV as Per Companies Act	3017,96,905	2931,21,375	1973,41,619	1945,55,182	1954,45,832
Net Block as per Income Tax	1382,62,259	821,85,775	935,06,232	973,95,382	1018,46,090
Timing difference- Depreciation	1635,34,646	2109,35,600	1038,35,387	971,59,800	935,99,742
Deferred Tax Liability (A)	540,69,460	684,38,055	336,89,391	315,23,497	303,68,436
Deferred Tax Assets (B)					
Provision of Gratuity outstanding as on the end of Period	54,43,349	49,50,390	49,09,895	40,74,215	34,82,812
Provision of Un utilized compensated absences outstanding as on the end of Period	6,55,636	6,38,476	6,70,190	5,36,335	4,75,652



Expenses Disallowed under Section 43B	4,47,468				
TDS defaults not paid, disallowed Under Section 43 B	3,22,235	1,91,097	1,74,338	1,57,755	62,210
Timing Difference Due to Gratuity and Compensated Absences, etc	68,68,688	57,79,963	57,54,423	47,68,305	40,20,674
Deferred Tax Assets (B)	22,70,994	18,75,309	18,67,023	15,47,077	13,04,508
Cumulative Balance of Deferred Tax Liability (Net) (A-B)	517,98,466	665,62,746	318,22,368	299,76,420	290,63,928
Normal Tax Rates	33.063	32.445	32.445	32.445	32.445

## 8. Earnings Per Share (AS 20):

Earnings per Share have been calculated is already reported in the Annexure –Q of the enclosed financial statements.

## 9. MATERIAL ADJUSTMENTS [AS PER SEBI (ICDR) REGULATIONS, 2009]

Appropriate adjustments have been made in the restated financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of Company Act 1956, and as replaced by Company Act 2013 after 01<sup>st</sup> April 2014 and Accounting Standards.

The Summary of results of restatements made in the audited financial statements of the Company for the respective period / years and their impact on the profit / (losses) of the Company is as under.

### Statement of adjustments in the Financial Statements

The reconciliation of Profit after tax as per audited results and the Profit after tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit & losses of the company.

### 1. Statement of Profit and Loss after Tax

**Table -1**

Amount in Rs.

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
<b>Net Profit After Tax as per audited accounts but before adjustments for restated accounts:</b>	<b>311,35,740</b>	<b>19,37,603</b>	<b>169,70,639</b>	<b>78,56,351</b>	<b>132,03,273</b>
(Short)/Excess Provision of Gratuity Expense	71,042	46,975	1,27,363	1,07,538	10,78,744
(Short)/Excess Provision of Compensated Absences	-4,131	14,646	62,151	29,002	2,31,560
(Short)/Excess Depreciation(net) charged in Books	5,65,921	5,24,713	75,133	49,299	77,923
Preliminary Expenses Written off Fully in the First Year As per AS 26. Differential Amount now transferred to Profit and Loss Account	-	-	-	-	-1,02,048
Prior Period Income adjusted with Opening Reserves	-	-	-	-	-2,16,689
Deferred tax liability short (Excess) provided	249,32,513	-343,56,075	-12,57,464	1,60,569	-16,85,624
Finance Cost Related to acquisition of Fixed Assets Capitalized	8,18,200	73,31,403	-	-	-
(Short)/Excess Provision of Finance Expenses				1,94,648	-1,94,648



(Short)/Excess Provision of TDS Demands in Books	-1,31,138	-16,759	-16,583	-95,545	-33,125
Net Adjustment in Profit and Loss Account	262,52,407	-264,55,097	-10,09,400	4,45,511	-8,43,907
<b>Net Profit/(Loss) After Tax as per Restated Accounts:</b>	<b>573,88,147</b>	<b>-245,17,494</b>	<b>159,61,239</b>	<b>83,01,862</b>	<b>123,59,366</b>

**a) Adjustment on account of provision for Gratuity and Compensated Absences:**

The Company did not provide gratuity based on the requirement of AS -15 (Revised), therefore during the restatement, provision for gratuity and compensated absences have been done as per the actuarial valuation and accordingly short/excess provisions in respective year were adjusted to comply with the requirement of AS-15 (Revised).

**b) Accounting of Depreciation (AS -6)**

During the process of restatement of Accounts, Company has rectified the Depreciation provision which was wrong on account of arithmetical errors, Non Compliance with AS-16 (Borrowing Cost) and non Compliance with the requirement of schedule II of the Companies Act, 2013 w.e.f. 1.4.2014 onwards. The same has been rectified and accordingly effect thereof has been stated in Table 1 (**Statement of Profit and Loss after Tax**).

**c) Adjustment on account of Provision of Deferred Tax:**

Due to changes in Depreciation and Provision for Gratuity and compensated absences, etc, The Company has recalculated the deferred tax liability and deferred tax assets at the rate of normal Tax rate applicable at the end of relevant year.

**d) Adjustment on account of wrong accounting treatment of Finance Expenses:**

In FY 2011-12, the Company has not made provision for finance expenses for the month ended March 2012 on mercantile basis of Rs. 1,94,648/-. Therefore during the restatement of books, finance expenses in FY 11-12 increased and finance expenses in FY 12-13 decreased respectively to that extent.

In FY 2014-15, and FY 2015-16 during the process of restatement the Company has rectified the mistake of not capitalizing borrowing cost pertaining to acquisition of fixed assets. Accordingly in FY 2014-15 and 2015-16., Rs. 73,31,403/- and Rs. 8,18,200/- respectively has been capitalized in Plant and Machinery.

The above rectification has resulted in increase in carrying amount of Capital work in progress – Plant and Machinery in FY 2014-15 & FY 2015-16 and decrease in finance cost of FY 2014-15 & FY 2015-16 to that extent.

**e) Accounting of Prior period Income/Expenses:**

Prior period income of Rs. 2,16,689/- credited in FY 2011-12 has now been adjusted with Opening Retaining earning as on 01.04.2011 and accordingly other Income of FY 11-12 has been decreased to that extent.

In same manner the Prior period expenses of Rs. 29085/- has been reduced from the opening retained earnings as on 01.04.2011 and accordingly liability for the same has been created in FY 2011-12.

**f) Accounting of Excess Depreciation prior to 31.03.2011:**

During the period of restatement, The Company has identified excess depreciation charged upto 31.03.2011 and accordingly has transferred Rs. 8,04,242/- in Opening balance of Retained earnings and adjusted the carrying amount of fixed Assets as on 01.04.2011.



**g) Contingent Liability towards show cause notice received from Excise Department and Income Tax Department:**

As on end of respective years, following are pending demand of Income Tax:-

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Outstanding Tax Demand for AY 2008-09	530869	530869	530869	530869	530869
Outstanding Tax Demand for AY 2009-10	7423	7423	7423	7423	7423
Outstanding Tax Demand for AY 2012-13	181260	181260	181260	0	0
Outstanding Tax Demand for AY 2014-15	850610	0	0	0	0
Outstanding Tax Demand for AY 2015-16	410	0	0	0	0

Demand under Excise Act:-

The company has vide Show Cause cum Demand Notice dated 05/12/2014 from the Office of The Commissioner Of Central Excise, Pune III Commissionerate under Central Excise Act, 1994 has been advised to provide reason as why the CENVAT Credit availed by the Company between November 2009 to March 2014 amounting to Rs. 4,29,86,957/- towards CENVAT Credit of and Rs. 22,957/- and Rs. 4,15,969/- for duty payment on Molasses towards clearance of fossil fuel and carbon dioxide respectively, along with interest at the appropriate rate and also penalty under Rule 15 (2) of the CENVAT Credit Rules, 2004 read with section 11-AC of the Central Excise Act, 1944 be not levied on the company. The Department has contended under the said notice that as per the Circular No. 808/05/2005-CX dated 25/02/2005, Denatured Ethyl Alcohol (one of the finished product) are non excisable goods hence the Cenvat Credit towards the excise paid for its input in Molasses is non admissible. Whereas based on judicial judgments and subsequent circulars of CBEC, the company claims the said products to be exempted excisable goods and hence CENVAT credit towards its input is eligible for set off against duty paid goods. The company has filed the reply against the said show cause notice dated 16/02/2015. The management is hopeful that there will not be any demand against above show cause notice.

**10. Realizations:**

In the opinion of the Board and to the best of its knowledge and belief, the value on realisation of current assets, loans and advances will, in the ordinary course of business, not be less than the amounts at which they are stated in the Balance sheet.

**11. Contractual liabilities**

All other contractual liabilities connected with business operations of the Company have been appropriately provided for.

**12. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

Under the Micro, Small and Medium Enterprises Development Act, 2006 read with notification no. 8/7/2006 – CDN dt 17/05/2007, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the said Act. Since the relevant information is not readily available, no disclosures have been made in the accounts. However in the view of the management, the impact of interest, if any, that may be payable as per the provisions of this Act is not expected to be material.

**13. Amounts in the financial statements**

Amounts in the financial statements are rounded off to nearest rupee. Figures in brackets indicate negative values.

**14. Statutory Auditors Qualification during the period of Restatement**

During the period of Restatement, Statutory Auditors has given following adverse/qualified remarks for which no adjustments are required in financial statement.

Financial Year	Auditors Qualification	Management Comments
FY 2015-16	Company is required to maintain Cost records under section 148(1) of the Companies Act 2013 as prescribed by Central Government vide Rule 3 of the Companies (Cost records and Audit) Rules 2014, however the Company has not produced cost Audit Report for verification of Auditors.	Management will take necessary steps accordingly to Comply with the requirement of the law.



**ANNEXURE – A**  
**STATEMENT OF SHARE CAPITAL, RESERVES AND SURPLUS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
<b>Share Capital</b>					
Authorised Share Capital					
Equity shares of Rs.10 each	2100000	2100000	2100000	2100000	2000000
Share Capital	21000000	21000000	21000000	21000000	20000000
Issued, Subscribed and Paid up Share Capital					
Equity Shares of Rs. 10 each fully paid up	2000000	2000000	2000000	2000000	2000000
Share Capital (in Rs.)	20000000	20000000	20000000	20000000	20000000
<b>Total</b>	<b>20000000</b>	<b>20000000</b>	<b>20000000</b>	<b>20000000</b>	<b>20000000</b>
<b>Reserves and Surplus</b>					
A) Surplus in Profit and Loss account					
Opening Balance	75237893	99755387	83794148	81566071	69206706
Add: Restated Profit/ (Loss) for the year	57388148	-24517494	15961239	8301862	12359366
Less: Loss in Amalgamation	0	0	0	6073785	0
Less: WDV of Computer Written off	0	0	0	0	0
<b>Total</b>	<b>132626041</b>	<b>75237893</b>	<b>99755387</b>	<b>83794148</b>	<b>81566071</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. Company does not have any Revaluation Reserve.					
4. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.					
5. The reconciliation of the number of shares outstanding as at: -					
Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Number of shares at the beginning	2000000	2000000	2000000	2000000	2000000
Add: Shares issued during the year	0	0	0	0	0
Number of shares at the end	2000000	2000000	2000000	2000000	2000000
6. The detail of shareholders holding more than 5% of Shares: -					
Name of Shareholders	As at (No. of Shares)				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Dharampal Kalani	330000	330000	330000	330000	330000
Hiralal Kalani	330000	330000	330000	330000	330000
Kanayalal Kalani	340000	340000	340000	340000	340000
Memkaur T Sethi	125000	125000	125000	125000	125000
Ratansingh T Sethi	125000	125000	125000	125000	125000



Baljit R Sethi	175000	175000	175000	175000	175000
Amardeepsing T Sethi	175000	175000	175000	175000	175000
Jagjit T Sethi	175000	175000	175000	175000	175000
Ramanjit H Sethi	175000	175000	175000	175000	175000
<b>Total</b>	<b>1950000</b>	<b>1950000</b>	<b>1950000</b>	<b>1950000</b>	<b>1950000</b>

**ANNEXURE – B**  
**STATEMENT OF LONG TERM AND SHORT TERM BORROWINGS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Long Term Borrowings					
(Secured)					
From Banks	57017885	76704346	29319723	7713639	42163377
Total	57017885	76704346	29319723	7713639	42163377
(Unsecured)					
(I) From Related Parties ('Promoters' and 'Promoter Group Companies')					
A) From Body Corporate					
Inter Corporate Loan	0	39449600	5949600	6421428	17529288
B) From Others					
From Share Holders	49690740	69190340	70990340	80828810	70740629
Sub Total (I)	49690740	108639940	76939940	87250238	88269917
(II) From Others					
A) From Body Corporate					
Inter Corporate Loan	0	0	0	0	500000
Sub Total (II)	0	0	0	0	500000
Total (I+II)	49690740	108639940	76939940	87250238	88769917
Short Term Borrowings					
From Banks/Financial Institutions (Secured)					
Loan Repayable on Demand	157812055	57724237	39942730	40285980	1302601
The above amount includes:					
<b>Secured Borrowings</b>	<b>214829940</b>	<b>134428583</b>	<b>69262453</b>	<b>47999619</b>	<b>43465978</b>
<b>Unsecured Borrowings</b>	<b>49690740</b>	<b>108639940</b>	<b>76939940</b>	<b>87250238</b>	<b>88769917</b>

**Notes:-**

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Promoter 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.
4. The terms and conditions and other information in respect of Secured Loans as on 31.03.2016 are given in Annexure -B (A)
5. The terms and conditions and other information in respect of Unsecured Loans as on 31.03.2016 are given in Annexure - B (B)



**ANNEXURE – B(A)**  
**STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanctioned Amount (Rs.)	Rate of interest	Securities offered	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books) 31.03.2016
The Saraswat Co-operative Bank Ltd	Cash Credit	20000000	PLR-3.25%, (Subject minimum 11.00%) to of	Secured Against Stock and Book Debts.	On Demand	Nil	68719511
The Saraswat Co-operative Bank Ltd	Short- Term Cash Credit	50000000	PLR-2.25%		Repayable on or before the expiry of 3 months From the date of Disbursement	Nil	
The Saraswat Co-operative Bank Ltd	Overdraft against Property	90000000	PLR-3.25%, (Subject minimum 11.00%) to of	Equitable Mortgage of Factory Land and Building at 45/2, 47/2, 48/2, 50/2, Taluka Indapur, Dist - Pune	On Demand	Nil	89092544
The Saraswat Co-operative Bank Ltd	Term Loan	92500000	PLR-3.25%, (Subject minimum 11.00%) to of	Hyp of Plant and Machinery	Repayable in 60 monthly EMI. First 59 EMI of Rs. 15.40 Lacs, and Last Installment of Rs. 16.40 Lacs	12 Months	72866230
Above credit facilities from Saraswat Bank are secured additionally through Personal guarantee of below mentioned group of Promoters - :							
1. Mrs. Memkaur Sethi 2. Mr. Ratansingh T Sethi 3. Amardeepsing T Sethi 4. Ajitsingh Sethi 5. Kanayalal Kalani 6. Dharampal Kalani 7. Jagjitkaur Sethi							
The Saraswat Co-operative Bank Ltd	Car Loan	735000	0.104	Hypothecation of Motor Car Purchased out of Bank Fund	Repayable in 60 monthly EMI of Rs. 16000/-		313661
ICICI Bank	Car Loan	6000000	0.1001	Hypothecation of Motor Car Purchased out of Bank Fund	Repayable in 35 monthly EMI of Rs. 127500/-	None	3664994
<b>Total</b>							<b>234656940</b>



**ANNEXURE – B (B)**  
**STATEMENT OF TERMS & CONDITIONS OF UNSECURED LOANS**

A) Details of Unsecured Loans outstanding as at the end of the latest Reporting period from Directors/Promoters/Promoter Group /Associates/Relatives of Directors/Group Companies/other entities

Unsecured Loans from Promoters/Directors are interest free and all are taken without any preconditions attached towards repayments.

Name of Lender	Purpose	Rate of interest	Re-Payment Schedule	Moratorium	Outstanding amount as on (as per Books)
					31.03.2016
Ajit Singh Sethi	Business Loan	Nil	On Demand	Nil	510000
Amardeep T Sethi	Business Loan	Nil	On Demand	Nil	8114705
Baljit R. Sethi	Business Loan	Nil	On Demand	Nil	1000000
Hira Singh Sethi	Business Loan	Nil	On Demand	Nil	1010000
Jagjit .A. Sethi	Business Loan	Nil	On Demand	Nil	500000
MemKaur T.Sethi	Business Loan	Nil	On Demand	Nil	560000
Mr.D.K.Kalani	Business Loan	Nil	On Demand	Nil	9107222
Mr.H.K.Kalani	Business Loan	Nil	On Demand	Nil	8769074
Mr.K.K.Kalani	Business Loan	Nil	On Demand	Nil	6969074
Ramanjit H. Sethi	Business Loan	Nil	On Demand	Nil	750000
Ratan Singh Sethi	Business Loan	Nil	On Demand	Nil	12400665
<b>Total</b>					<b>49690740</b>

**ANNEXURE – C**  
**STATEMENT OF DEFERRED TAX (ASSETS) / LIABILITIES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Major Components of deferred tax arising on account of timing differences are:					
Timing Difference Due to Depreciation	163534646	210935600	103835387	97159800	93599742
Deferred Tax Liability(A)	54069460	68438055	33689391	31523497	30368436
Provision of Gratuity outstanding as on the end of Period	5443349	4950390	4909895	4074215	3482812
Provision of Un utilized compensated absences outstanding as on the end of Period	655636	638476	670190	536335	475652
Expenses Disallowed under Section 43B	447468	0	0	0	0
TDS defaults not paid, disallowed Under Section 43 B	322235	191097	174338	157755	62210
Timing Difference Due to Gratuity and Compensated Absences	6868688	5779963	5754423	4768305	4020674
Deferred Tax Assets (B)	2270994	1875309	1867022	1547077	1304508
<b>Cumulative Balance of Deferred Tax Liability(A-B)</b>	<b>51798466</b>	<b>66562746</b>	<b>31822368</b>	<b>29976420</b>	<b>29063928</b>

Note: The above statement should be read with the significant accounting policies and notes to restated summary statement of profit and loss account and cash flows statement as appearing in Annexures IV, I, II and III .



**ANNEXURE – D  
STATEMENT OF LONG TERM PROVISIONS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Provision for Employee Benefits					
Gratuity Payable	4705767	4793166	4219895	3623874	3370828
Compensated Absences	621646	617584	542419	465347	460145
Others	0	0	0	0	0
<b>Total</b>	<b>5327413</b>	<b>5410750</b>	<b>4762314</b>	<b>4089221</b>	<b>3830973</b>

**ANNEXURE – E  
STATEMENT OF TRADE PAYABLES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Trade Payables					
For Goods & Services					
Micro, Small and Medium Enterprises	0	0	0	0	0
Others	-39271107	-2368333	-21851997	10603154	18766745
<b>Total</b>	<b>-39271107</b>	<b>-2368333</b>	<b>-21851997</b>	<b>10603154</b>	<b>18766745</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. Amount due to entities covered under Micro, Small and Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified on the basis of information available with the Company. There was no amount due to any such entities which needs to be disclosed.

**ANNEXURE – F  
STATEMENT OF OTHER CURRENT LIABILITIES AND SHORT TERM PROVISIONS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Other Current Liabilities					
Current Maturities of Long Term Debt	19827000	19827000	1347000	147000	0
Statutory Payables	3765902	200202	212195	176550	204724
Provision for expenses	3858109	3497919	4709618	2762388	1818037
<b>Total</b>	<b>27451011</b>	<b>23525121</b>	<b>6268813</b>	<b>3085938</b>	<b>2022761</b>
Short Term Provisions					
Provision for Income Tax	9675000	6050000	3000000	2300000	3620000
Provisions for Gratuity	737582	157224	690000	450341	111984



Provisions for Compensated Absences	33990	20892	127771	70988	15507
<b>Total</b>	<b>10446572</b>	<b>6228116</b>	<b>3817771</b>	<b>2821329</b>	<b>3747491</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – G**  
**STATEMENT OF FIXED ASSETS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Tangible Assets					
Factory Building	17622686	18243586	17875364	17142953	16478546
Office Building	2996771	3051590	3106410	3163052	2339661
Plant and Machinery	251609005	153326505	162402060	172180873	176104059
Office Equipments	171603	126996	77268	84582	91896
Vehicle	6527550	7318990	8110430	816799	0
Tractor	1161187	503796	594989	680582	0
Furniture and Fittings	325273	373902	422532	452470	5977
Computers	14160	37053	65940	33870	15694
<b>Total</b>	<b>280428235</b>	<b>182982418</b>	<b>192654993</b>	<b>194555182</b>	<b>195035833</b>
Capital Work In Progress	21368670	110138957	4686626	0	409999
<b>Total</b>	<b>301796905</b>	<b>293121375</b>	<b>197341619</b>	<b>194555182</b>	<b>195445832</b>

Notes:-

Note:- Factory Building is including of cost of land, which is being depreciated at the rate which is applicable on Factory Building. There is no detail available with the Company about the cost of Land.
1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – H**  
**STATEMENT OF NON-CURRENT INVESTMENTS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Non Current Investment					
Unquoted (at Cost)					
- in The Saraswat Co-op Bank Ltd	26300	26300	26300	26300	26300
- NSC (Aditya Petrochemicals (India) Pvt. Ltd.)	2000	2000	2000	2000	0
Investment in Equity Shares of 100% Subsidiary - Unquoted- (At Cost)					





- Aditya Petrochemicals (India) Pvt. Ltd.	0	0	0	0	2490000
<b>Total</b>	<b>28300</b>	<b>28300</b>	<b>28300</b>	<b>28300</b>	<b>2516300</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – I**  
**STATEMENT OF LONG-TERM LOANS AND ADVANCES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Unsecured, Considered Good unless otherwise stated					
Security Deposit	1585263	1522163	1206563	1104863	930263
Other Loans and Advances	62676847	76858575	38248893	18946712	4338749
<b>Total</b>	<b>64262110</b>	<b>78380738</b>	<b>39455456</b>	<b>20051575</b>	<b>5269012</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – J**  
**STATEMENT OF INVENTORIES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Raw Materials	14609408	13885834	4186961	1050810	1590120
Raw Materials (APIPL)	0	0	0	11014287	0
Work In Progress	3853691	1317488	3768016	2443749	408060
Stores & Spares	794499	1008980	1108890	632883	522883
Organic Manure	0	340000	0	171750	78000
Fuel	3864523	5391227	6146186	1671496	1447163
Finished Goods	15790694	19982644	10702770	7300468	4649139
<b>Total</b>	<b>38912815</b>	<b>41926173</b>	<b>25912823</b>	<b>24285443</b>	<b>8695365</b>

Note:- Inventory has been physically verified by the management of the Company at the end of respective year/period



**ANNEXURE – K**  
**STATEMENT OF TRADE RECEIVABLES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Outstanding for a period exceeding six months (Unsecured and considered Good)					
From Directors/Promoters/Promoter Group/Associates/ Relatives of Directors/ Group Companies.	0	0	0	0	0
Others	0	-594766	-45762	-227316	22632007
Outstanding for a period not exceeding 6 months (Unsecured and considered Good)					
From Directors/ Promoters/ Promoter Group /Associates/ Relatives of Directors/ Group Companies.	0	0	0	0	0
Others	124215	-8463190	-5970547	8876461	3752006
<b>Total</b>	<b>124215</b>	<b>-9057956</b>	<b>-6016309</b>	<b>8649145</b>	<b>26384013</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – L**  
**STATEMENT OF CASH & CASH EQUIVALENTS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Cash and Cash Equivalents: (as per Accounting Standard 3: Cash flow Statements)					
Balances with Banks in Current Accounts	21213541	733411	1026731	340318	176950
Bank Deposits with original maturity of less than 3 months	0	0	0	0	0
Cash on Hand	744183	681730	831132	334302	28696
Other Bank Balances					
Bank deposits with original maturity of more than 12 months	279672	120042	120042	988853	108393
<b>Total</b>	<b>22237396</b>	<b>1535183</b>	<b>1977905</b>	<b>1663474</b>	<b>314039</b>

Notes:

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



**ANNEXURE – M**  
**STATEMENT OF SHORT-TERM LOANS AND ADVANCES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Unsecured, Considered Good unless otherwise stated					
Sundry Deposits	188960	188960	204927	188266	172176
Balances with Central excise and Government Authorities	24348374	26676108	27033192	33865478	36887239
Accrued Interest on MSEB Deposit	0	116335	89538	95135	0
Loan Advance to related Party	21000000	0	0	0	0
<b>Total</b>	<b>45537334</b>	<b>26981403</b>	<b>27327657</b>	<b>34148879</b>	<b>37059415</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.
3. List of persons/entities classified as 'Promoters' and 'Group Companies' has been determined by the Management and relied upon by the Auditors. The Auditors have not performed any procedure to determine whether the list is accurate and complete.

**ANNEXURE – N**  
**STATEMENT OF OTHER CURRENT ASSETS**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Other	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – O**  
**STATEMENT OF OTHER INCOME**

(Amt. in Rs.)

Particulars	For the Year Ended				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Related and Recurring Income:					
Interest Income	1223263	143289	157622	380452	7907
Round Off/Discounts	0	0	2	-51	-36
Other Receipt	3000	15881	0	500	81200
Penal Charges Recover	0	0	0	0	3190
Dividend Received	3750	2500	2500	5000	5000
Prior Period Income/ (Expenses)	54266	0	0	0	0
Related and Non Recurring Income:					



# Aurangabad Distillery Limited

VAT Assessment Refund 06-08	0	0	0	1414506	0
Credit Balance Written Off	398443	0	77707	2062722	0
<b>Total</b>	<b>1682722</b>	<b>161670</b>	<b>237831</b>	<b>3863129</b>	<b>97261</b>

Notes:

1. The classification of other income as recurring/not-recurring, related/not-related to business activity is based on the current operations and business activity of the Company as determined by the management.
2. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – P STATEMENT OF TURNOVER

(Amt. in Rs.)

Particulars	For the Year Ended				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
(i) Turnover of Products Manufactured by the Issuer Company	461799977	362309929	331815998	282762480	245749020
(ii) Turnover of Products Traded by the Issuer Company	0	0	0	0	0
*(iii) Turnover in respect of Products not Normally dealt in by the Issuer Company but included in (ii) above	0	0	0	0	0
<b>Total</b>	<b>461799977</b>	<b>362309929</b>	<b>331815998</b>	<b>282762480</b>	<b>245749020</b>

\*As per information provided to us by the Issuer, there is no such item.

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

## ANNEXURE – Q STATEMENT OF MANDATORY ACCOUNTING RATIOS

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Net Worth (A)	152626041	95237893	119755387	103794148	101566071
Restated Profit after tax	57388148	-24517494	15961239	8301862	12359366
Less: Prior Period Item					
Adjusted Profit after Tax (B)	57388148	-24517494	15961239	8301862	12359366
Number of Equity Share outstanding as on the End of Year/Period ( c)	2000000	2000000	2000000	2000000	2000000
Weighted average no of Equity shares at the time of end of the year (D)	6000000	6000000	6000000	6000000	6000000
Current Assets (E)	106811760	61384803	49202075	68746941	72452832
Current Liabilities (F)	156438531	85109141	28177317	56796401	25839598
Face Value per Share	10	10	10	10	10



Restated Basic and Diluted Earnings Per Share (Rs.) (B/D)	9.56	-4.09	2.66	1.38	2.06
Return on Net worth (%) (B/A)	0.38	-0.26	0.13	0.08	0.12
Net asset value per share (A/C) (Face Value of Rs. 10 Each)	76.31	47.62	59.88	51.90	50.78
Net assets value per share (effect of bonus issue of equity shares) (A/D)	25.44	15.87	19.96	17.30	16.93
Current Ratio (E/F)	0.68	0.72	1.75	1.21	2.80

Notes:-

1) The ratios have been computed as below: (a) Basic earnings per share (Rs. ) - : Net profit after tax as restated for calculating basic EPS / Weighted average number of equity shares outstanding at the end of the period or year (b) Diluted earnings per share (Rs. ) - : Net profit after tax as restated for calculating diluted EPS / Weighted average number of equity shares outstanding at the end of the period or year for diluted EPS (c) Return on net worth (%) -: Net profit after tax (as restated) / Net worth at the end of the period or year (d) Net assets value per share -: Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (e) Net assets value per share (effect of bonus issue of equity shares) - : Net Worth at the end of the period or year / Total number of equity shares outstanding at the end of the period or year (after split and bonus issue)
2) Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/year adjusted by the number of equity shares issued during period/year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period/year.
3) Net worth for ratios mentioned in note 1(c) and 1(d) is = Equity share capital + Reserves and surplus ( including, Securities Premium, General Reserve and surplus in statement of profit and loss).
4) The Company has declared bonus shares in the ratio of 1:2 (2 share bonus for Every 1 shares held in Company) dated 19/05/2016 to all existing shares holders. Accordingly, the number of equity shares considered for computation of basic and diluted earnings per share for the year ended March 31, 2016, March 31, 2015, March 31,2014, March 31,2013, and March 31,2012, have been adjusted for the impact of bonus issue.
5) The figures disclosed above are based on the standalone restated summary statements of the Group.
6) The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – R**  
**STATEMENT OF RELATED PARTY TRANSACTION**

a)	Names of the related parties with whom transaction were carried out during the years and description of relationship:
1)	Brihan Karan Syndicate Private Limited
	Kalani Packaging Industries Private Limited
	Karan Bottling Company Private Limited
	Karan Distilleries Private Limited
	Karan Liquors Private Limited
	Karan Sugars Private Limited
	Machpack Enterprises Private Limited
	Master Blenders Private Limited
	Nevitad Distillers Private Limited
	Rukmini Beverages Private Limited
	Tripti Containers Private Limited
	Sanjit Moulds Private Limited



		Kapil Spirit Private Limited
		Kapil Liquor and Spirits Private Limited
		Triloksons Resources Private Limited
		Deogaon Farms LLP
		Metri Sugar and Trading Private Limited
		Metri Distilleries LLP
		Virat Spirits Limited Liability Partnership
		Metri Spirits Private Limited.
		Satyam Spirits Private Limited
		Metri IT Park Limited Liability Partnership
		Kanuhira Corporation (Partners Mr. Kanyalal Kimatram Kalani & Dharampal Kimatram Kalani)
		Karan Agencies (Partner Mr. Kanyalal Kimatram Kalani)
		Krishna Farms (Partner Mr. Kanyalal Kimatram Kalani)
		Superpack Industries (Prop Dharampal Kimatram Kalani)
		Dharampal Kimatram Kalani (HUF)
		Kanyalal Kimatram Kalani (HUF)
		Amardeepsingh Triloksingh Sethi (HUF)
		Kalani Shaikshanik Samajik Seva Sanstha Trust
2)	Key management Personnel	Dharampal Kimatram Kalani
		Amardeepsingh Triloksingh Sethi
		Uday Balwant Hemade
3)	Directors	Kanyalal Kimatram Kalani
		Jagjitkaur Amardeepsingh Sethi

**1. Transaction with Companies/Entity owned or Significantly influenced by Director/KMP**

(Amt. in Rs.)

Sr. No.	Nature of Transaction	Period/ Year ended				
		31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
<b>A</b>	<b>Brihan Karan Syndicate Private Limited</b>					
	Sale of Rectified Spirits	21012000	0	1776000	16616000	11884000
	Trade Receivable					
	Closing Balance {Dr/(Cr)}	0	400	400	400	0
	Opening Balance {Cr./(Dr)}	4750000	4750000	6000000	6000000	0
	Loan Taken	0	0	4750000	0	6000000
	Loan Repaid	4750000	0	6000000	0	
	Closing Balance {Dr/(Cr)}	0	4750000	4750000	6000000	6000000
<b>B</b>	<b>Karan Bottling Company Private Limited</b>					
	Sale of Rectified Spirits	50287732	0	1480000	8920000	11320000
	Admin/Transport fee	0	0	0	0	50000
	Trade Receivable					
	Closing Balance {Dr/(Cr)}	-36000	0	0	0	0



<b>C</b>	<b>Nevitad Distillers Private Limited</b>					
	Sale of Rectified Spirits	14255000	0	0	8620000	20225000
	Admin/Transport fee	0	0	0	0	75000
	Trade Receivable					
	Closing Balance {Dr/(Cr)}	0	0	0	35678	3228
<b>D</b>	<b>Master Blenders Private Limited</b>					
	Sale of Extra Neutral Alcohol/Rectified Spirit	11170000	0	4635000	0	0
	Trade Receivable					
	Closing Balance {Dr/(Cr)}	0	0	0	0	0
<b>E</b>	<b>Karan Agencies (Partner Mr. Kanyalal Kimatram Kalani)</b>					
	Sales -Scrap/Rectified Spirit	2320000	15000	0	0	0
	Trade Receivable					
	Closing Balance {Dr/(Cr)}	0	15750	0	0	0
<b>F</b>	<b>Satyam Spirits Private Limited</b>					
	Opening Balance {Cr./(Dr)}	0	0	238470	9549889	0
	Loan Taken (Including Interest)	23901598	5774984	856856	25474235	40280014
	Loan Repaid	44901598	5774984	1095326	34785654	30730125
	Closing Balance {Cr./(Dr)}	-21000000	0	0	238470	9549889
	Interest on loan Taken			0	238470	495199
<b>G</b>	<b>Amardeepsingh Triloksingh Sethi (HUF)</b>					
	Opening Balance {Cr./(Dr)}	1000000	1000000	1000000	1000000	1000000
	Loan Taken	5000000	0	0	0	0
	Loan Repaid	6000000	0	0	0	0
	Closing Balance {Cr./(Dr)}	0	1000000	1000000	1000000	1000000
<b>H</b>	<b>Metri Spirits Private Limited.</b>					
	Opening Balance {Cr./(Dr)}	0	0	183358	1979399	0
	Loan Taken (Including Interest)	0	0	0	11033358	4579399
	Loan Repaid	0	0	183358	12829399	2600000
	Closing Balance {Cr./(Dr)}	0	0	0	183358	1979399





<b>I</b>	<b>Kapil Spirit Private Limited</b>					
	Opening Balance {Cr./ (Dr)}	10000000	0	0	0	0
	Loan Taken	0	10000000	0	0	0
	Loan Repaid	10000000	0	0	0	0
	Closing Balance {Cr./ (Dr)}	0	10000000	0	0	0
<b>J</b>	<b>Triloksons Resources Private Limited</b>					
	Opening Balance {Cr./ (Dr)}	24700000	1200000	0	0	0
	Loan Taken	219400000	305800000	12900000	0	0
	Loan Repaid	244100000	282300000	11700000	0	0
	Closing Balance {Cr./ (Dr)}	0	24700000	1200000	0	0

## 2. Transaction with Directors

<b>A</b>	<b>Dharampal Kimatram Kalani</b>					
	Opening Balance {Cr./ (Dr)}	9107222	9107222	9107222	9107222	9107222
	Loan Taken	0	0	0	0	0
	Loan Repaid	0	0	0	0	0
	Closing Balance {Cr./ (Dr)}	9107222	9107222	9107222	9107222	9107222
<b>B</b>	<b>Amardeepsingh Triloksingh Sethi</b>					
	Opening Balance {Cr./ (Dr)}	13864705	13864705	15114705	15114705	15114705
	Loan Taken	10000000	0	0	0	0
	Loan Repaid	15750000	0	1250000	0	0
	Closing Balance {Cr./ (Dr)}	8114705	13864705	13864705	15114705	15114705
<b>C</b>	<b>Kanyalal Kimatram Kalani</b>					
	Opening Balance {Cr./ (Dr)}	6969074	6969074	6969074	6469074	6469074
	Loan Taken	0	0	0	500000	0
	Loan Repaid	0	0	0	0	0
	Closing Balance {Cr./ (Dr)}	6969074	6969074	6969074	6969074	6469074
<b>D</b>	<b>Jagjitkaur Amardeepsingh Sethi</b>					
	Opening Balance {Cr./ (Dr)}	500000	500000	500000	500000	500000
	Loan Taken	0	0	0	0	0
	Loan Repaid	0	0	0	0	0
	Closing Balance {Cr./ (Dr)}	500000	500000	500000	500000	500000



**ANNEXURE – S  
STATEMENT OF CAPITALISATION**

(Amount in Rs.)

Particulars	Pre Issue	Post Issue
	31.03.2016	
Debt		
Short Term Debt	157812055	157812055
Long Term Debt	126535625	60964625
Total Debt	284347680	218776680
Shareholders' Fund (Equity)		
Share Capital	20000000	82000000
Reserves & Surplus	132626041	143626041
Less: Miscellaneous Expenses not w/off	0	
Total Shareholders' Fund (Equity)	152626041	225626041
Long Term Debt/Equity	0.83	0.27
Total Debt/Equity	1.86	0.97

Notes:

1. Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
2. Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under other current liabilities
3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31/03/2016.
4. The Company has issued Bonus shares in the ratio 1:2 by Capitalising Free Reserves Account on 19/05/2016.

**ANNEXURE – T  
STATEMENT OF TAX SHELTER**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
A Profit before taxes as restated	48754524	17792623	21067749	11875177	18927902
B Tax Rate Applicable %	33.06	32.45	32.45	32.45	32.45
C Tax Impact (A*B)	16119708	5772816	6835431	3852901	6141158
Adjustments:					
D Permanent Differences					
Preliminary Expenses Related to Incorporation of Company	-7466	-7466	-7466	-7466	102048
Donation	18000	0	0	0	35000
Expenditure of Capital Nature disallowed	0	0	0	639900	
Expenses (Labour Charges) on Which TDS not deducted, disallowed u/s 40a (ia)	0	0	0	307952	100346
Expenses (Professional Fee) on Which TDS not deducted, disallowed u/s 40a (ia)	0	32584	0	0	0



	Total Permanent Differences	10534	25118	-7466	940386	237394
E	Timing Difference					
	Difference between tax depreciation and book depreciation	-32146828	-1647883	-1988959	-3970056	-7272107
	Expenses Disallowed Under Section 43 B	447468	182062	189363	189720	184045
	TDS defaults not paid, disallowed Under Section 43 B	131138.4	16759	16583	95545	33125
	Gratuity Expenses Disallowed under Section 40A(7)	684784	711158	979551	591403	-446809
	Leave Encashment Disallowed under Section 43B	181276	331964	217214	198502	10763
	Gratuity and Leave Encashment Expenses Allowed on payment basis under Section 40A(7) and 43B respectively	-355941	-1034341	-227230	-137819	-166857
	Amount Disallowed u/s 43 B in preceding Previous Year, Now Allowed as per Section 43B	-182062	-105050	-189720	-184045	-173576
	Total Timing Differences	-31240165	-1545331	-1003198	-3216750	-7831416
	Brought Forward Losses	0	0	-11464940	-9096213	0
F	Net Adjustment (F) = (D+E)	-31229631	-1520213	-12475604	-11372577	-7594022
G	Tax Expenses/ (Saving) thereon (F*B)	-10325453	-493233	-4047710	-3689833	-2463880
H	Tax Liability, After Considering the effect of Adjustment (C +G)	5794256	5279583	2787721	163069	3677277
	MAT Credit Utilized	0	807855	0	0	109770
H	Tax Liability, After Considering the effect of MAT Credit	5794256	4471728	2787721	163069	3567507
I	Book Profit as per MAT *	48754524	17792623	21067749	11875177	18927902
J	MAT Rate	20.39	20.01	20.01	20.01	20.01
K	Tax liability as per MAT (I*J)	9940487	3559903	4215182	2375956	3787047
L	Current Tax being Higher of H or K	9940487	4471728	4215182	2375956	3787047
M	MAT Credit Entitlement	6972133	2825901	4545581	3118120	905233
N	Total Tax expenses (L+M+N)	16912619	7297630	8760764	5494076	4692280
O	Total Tax as per Return of Income (Before Interest under Section 234A,B and C of Income Tax Act, 1961)	Not Yet Filed	2956376	4165551	2318945	3618638
P	Tax Paid Under (Normal/MAT) in Income Tax Return Filed by Company	MAT	Normal	MAT	MAT	MAT

\* MAT refers to Minimum Alternative Tax as referred to in section 115 JB of the Income Tax Act, 1961



Notes:

1. The aforesaid statement of tax shelters has been prepared as per the restated Summary statement of profits and losses of the Company. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax r respective years stated above. The changes in the tax liability and the interest thereon arising on account of assessment proceedings, notices, appeals etc has been adjusted in the tax liability of the year to which the liability pertains.
2. The figures for the year ended March 31, 2016 are based on the provisional computation of Total Income prepared by the Company
3. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.

**ANNEXURE – U**  
**RESTATED SUMMARY STATEMENT OF CONTINGENT LIABILITIES**

(Amt. in Rs.)

Particulars	As at				
	31.03.2016	31.03.2015	31.03.2014	31.03.2013	31.03.2012
Contingent liabilities in respect of:					
Claims against the company not acknowledged as debts	0	0	0	0	0
Guarantees given on Behalf of the Company	0	0	0	0	0
Guarantees given on Behalf of the Subsidiary Company	0	0	0	0	0
Other moneys for which the company is contingently liable	0	0	0	0	0
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2008-09	530869	530869	530869	530869	530869
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2009-10	7423	7423	7423	7423	7423
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2012-13	181260	181260	181260	0	0
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2014-15	850610	0	0	0	0
Outstanding Tax Demand with Respect to Income Tax Assessment year - 2015-16	410	0	0	0	0
Excise Duty Liability	43425883	43425883	0	0	0
Commitments (to the extent not provided for)					
Estimated amount of contracts remaining to be executed on capital account and not provided for	0	0	0	0	0
Uncalled liability on shares and other investments partly paid	0	0	0	0	0
Other commitments	0	0	0	0	0
<b>Total</b>	<b>44996455</b>	<b>44145435</b>	<b>719552</b>	<b>538292</b>	<b>538292</b>

Notes:-

1. The figures disclosed above are based on the restated summary statement of assets and liabilities of the Company.
2. The above statement should be read with the significant accounting policies and notes to restated summary statements of assets and liabilities, profits and losses and cash flows appearing in Annexures IV, I, II and III.



**STATEMENT OF FINANCIAL INDEBTNESS**

To,

**The Board of Directors,  
Aurangabad Distillery Limited  
560, Preeti Apartment, 1<sup>st</sup> floor 18<sup>th</sup> Road,  
Next to Laxminarayan Mandir,  
Khar West, Mumbai-400052**

Dear Sir,

The principal terms of loans and assets charged as security as on 31<sup>st</sup> May, 2016 is as given below:

**A. Secured Loan**

(Amounts in Rs.)

**STANDALONE STATEMENT OF PRINCIPAL TERMS OF SECURED LOANS AND ASSETS CHARGED AS SECURITY**

Name of Lender	Purpose	Sanction Amount/Takeover amount	Rate of interest	Securities offered	Re-payment	Moratorium	Outstanding amount as on 31/05/16 as per Books
The Saraswat Co-operative Bank Ltd	Cash Credit	2,00,00,000	PLR-3.25%, (Subject to minimum of 11.00%)	Primary Security – Secured Against Stock and Book Debts.	On Demand	Nil	6,84,03,188
	Short Term Cash Credit	5,00,00,000	PLR-2.25%		Repayable on or before the expiry of 3 months From the date of Disbursement	Nil	
The Saraswat Co-operative Bank Ltd	Overdraft against Property	9,00,00,000	PLR-3.25%, (Subject to minimum of 11.00%)	Equitable Mortgage of Factory Land and Building at 45/2, 47/2, 48/2, 50/2, Taluka Indapur, Dist – Pune	On Demand	Nil	8,90,92,091
The Saraswat Co-operative Bank Ltd	Term Loan	9,25,00,000	PLR-3.25%, (Subject to minimum of 11.00%)	Hyp of Plant and Machinery	Repayable in 60 monthly EMI. First 59 EMI of Rs. 15.40 Lacs, and Last Instalment of Rs. 16.40 Lacs	12 Months	6,97,56,868
Above credit facilities from Saraswat Bank are secured additionally through Personal guarantee of below mentioned group of Promoters - :							



1. Mrs. Memkaur Sethi 2. Mr. Ratansingh T Sethi 3. Amardeepsingh T Sethi 4. Ajitsingh Sethi 5. Kanyalal Kalani 6. Dharampal Kalani 7. Jagjitkaur Sethi							
The Sarasw at Co-operati ve Bank Ltd	Car Loan	7,35,000	10.40% P.A.	Hypothecation of Motor Car Purchased out of Bank Fund	Repayable in 60 monthly EMI of Rs. 16000/-	Nil	286798
ICICI Bank	Car Loan	60,00,000	10.01%	Hypothecation of Motor Car Purchased out of Bank Fund	Repayable in 60 monthly EMI of Rs. 127500/-	Nil	3464994
<b>Sub Total (A)</b>							<b>23,10,03,939</b>

**B. Un Secured Loan From Shareholder**

Name and Relationship of Lender	Purpose	Loan Amount	Rate of Interest	Repayment	Outstanding Amount in Lacs as per Books as on 31/05/2016
Ajit Singh Sethi	Business Loan	510000	Nil	On Demand	510000
Amardeep T Sethi	Business Loan	8114705	Nil	On Demand	8114705
Baljit R. Sethi	Business Loan	1000000	Nil	On Demand	1000000
Hira Singh Sethi	Business Loan	1010000	Nil	On Demand	1010000
Jagjit .A. Sethi	Business Loan	500000	Nil	On Demand	500000
MemKaur T. Sethi	Business Loan	560000	Nil	On Demand	560000
Mr.D.K. Kalani	Business Loan	9107222	Nil	On Demand	9107222
Mr.H.K. Kalani	Business Loan	8769074	Nil	On Demand	8769074
Mr.K.K. Kalani	Business Loan	6969074	Nil	On Demand	6969074
Ramanjit H. Sethi	Business Loan	750000	Nil	On Demand	750000
Ratan Singh Sethi	Business Loan	12400665	Nil	On Demand	12400665
<b>Sub Total (B)</b>					<b>4,96,90,740</b>
<b>Grand Total (A+B)</b>					<b>28,06,94,679</b>

Apart from general restrictive covenants prevailing in Banking Industry, specific restrictive covenants attached to secured loan are as under:-

1. The funds from the sanctioned credit facilities shall be used for only for working capital purpose and not for adjustment/payment of any debt deemed bad or doubtful for recovery/Capital Market Operations/Subscription to or purchase of shares/debentures/Extending loans to subsidiary companies/associates or for making inter-corporate deposits/any speculative purposes.
2. During the currency of the Bank's credit facility(s), the borrower will not carry out below transactions without the Bank's prior Permission in writing:



- i. Conclude any fresh Secured borrowing arrangement with any other Bank or Financial Institutions, borrower or otherwise, not create any further charge over their fixed assets without Bank's prior approval in writing;
  - ii. Undertake any expansion or fresh project or acquire fixed assets except for routine business needs.
  - iii. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern.
  - iv. Formulate any scheme of amalgamation with any other borrower or reconstruction, acquire any borrower;
  - v. Undertake guarantee obligations on behalf of any other borrower/firm/concern/company or any third party, except in ordinary course of business.
  - vi. Declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation and Bank's permission is obtained;
  - vii. Make any repayment of the loans and deposits and discharge other liabilities except those shown in the funds flow statement submitted from time to time;
  - viii. Make any substantial change in their management set-up.
  - ix. Effect any major change in its capital structure.
  - x. Grant loans to promoters/partners.
3. The credit facilities shall not be transferred/ assigned by the borrower to any other entity without permission of the bank. In case there is any transfer/assignment the loan shall be recalled at the sole discretion of the bank.
4. The borrower will maintain its net working capital position equal to or above the levels furnished in its projections for working capital finance. In the event of difference of opinion arising as to what constitute current assets and current liabilities, the Bank's decision will be final and binding on the borrower.

**For S. S. Rathi & Co.**  
**Chartered Accountants**  
**Firm Registration No.108726W**

**(RAVI K JAGETIYA)**  
**Partner**  
**Membership No. 134691**

**Place: Mumbai**  
**Date: 27th June 2016**





## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS**

*You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Prospectus. You should also read the section entitled “Risk Factors” beginning on page 15 and “Forward Looking Statements” beginning on page 14, which discusses a number of factors, risks and contingencies that could affect our financial condition and results of operations.*

*The following discussion of our financial condition and results of operations should be read in conjunction with our restated financial statements for the fiscal years ended March 31, 2016, 2015, 2014, 2013 and 2012, including the schedules and notes thereto and the reports thereto, which appear in the section titled “Financial Information of the Company” on Page No. 166 of the Prospectus. The financial statements presented and discussed herein have been prepared to comply in all material respects with the notified accounting standards by Companies (Accounting Standards) Rules, 2006 (as amended), the relevant provisions of the Companies Act and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Our fiscal year ends on March 31 of each year. Accordingly, all references to a particular fiscal year/financial year are to the twelve-month period ended on March 31 of that year. The forward-looking statements contained in this discussion and analysis is subject to a variety of factors that could cause actual results to differ materially from those contemplated by such statements.*

### **Overview**

We believe that we are one of the leading manufacturers of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol. Apportion of our production of molasses from sugar factory is used as raw material for manufacture of spirit i.e. Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol which is manufactured by the Continuous Fermentation & Multipressure Vacuum Distillation and also effecting sells of carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Our Products are manufactured at our distillery situated at Walchandnagar, Maharashtra with total area of approx 40 Acres which is a molasses based distillery. Our majority of the spirit which contains 95% alcohol by nature and also used to manufacture alcohol by the process of rectification is used by chemical and pharmaceutical industries.

Our Company was originally incorporated on August 03, 2000 as private limited company under the name and style of “Aurangabad Distillery Private Limited” with Registrar of Company, Maharashtra by Original Promoters, Mr. Manoj Wadhwani, Mrs. Kiran Wadhwani and Mr. Sadhuram Wadhwani with a main object to set up an distillery and manufacturing of spirits. In the year 2005, our company purchased a distillery with land and installed Plant & machinery situated at Walchandnagar from Ashok Alcochem Limited. Later in the year 2005, the company was taken over by Present promoters Mr. Amardeepsingh Triloksingh Sethi, Mr. Dharampal Kimatram Kalani, Mr. Kanyalal Kimatram Kalani and Mrs. Jagjitkaur Amardeepsingh Sethi. During the last quarter of the year 2005, our company has started its commercial production of spirit with new management.

The manufacturing process of Rectified Spirit, Denatured Spirit and Extra Neutral Alcohol is based on the modern technology of Continuous Fermentation and multi pressure vacuum distillation and molasses from sugar factory is used as raw material for manufacture of Spirit. The Rectified Spirit is the initial product obtained. It is diluted with soft water and further distilled to remove any organic impurities & refined to obtain best quality denatured spirit and extra neutral alcohol. Our Company also sells carbon dioxide (CO<sub>2</sub>) and fusel oil which are produced as by-products during distillation process of Spirit. Additionally our company produces electricity through turbine which is captively consumed in our distillation process and reduces the dependency on purchased electricity.

### **SALIENT FEATURES OF OUR PRODUCTS:**

- Molasses based Spirit
- Cleared & colorless
- Homogeneous liquid
- Miscible with water
- Non toxic
- High transparency



## **OUR PRODUCTS:-**

S.No.	Products	Description
1.	Rectified Spirit	Rectified spirit is highly concentrated ethanol purified by means of repeated distillation. It contains 95% alcohol by volume. Rectified Spirit Alcohol is used in mixed drinks, in the production of liquors, for medicinal purposes, and for chemical industry. Rectified Spirit is produced from molasses using yeast in fermentation tanks. Molasses diluted with water to the desired concentration is metered continuously in to a fermenter. Spent wash from distillations re-circulated to ferment depending on solids concentration in fermented wash and molasses composition. During fermentation process yeast cells convert sugar in to alcohol. Fermentation is an exothermic reaction, heat is evolved during the fermentation and it is continuously cooled by plate type heat exchanger.
2.	Denatured Spirit	Denatured Spirit is produced by mixing spirits with denaturants in order to render them potable, generally for use in various industrial applications. Denatured Spirit usually is colorless in appearance. Denatured spirit serves as a cleaning agent, fuel additive, sanding aid, terminator, and as a solvent.
3.	Extra Neutral Alcohol	Extra neutral alcohol (ENA) - is a colorless alcohol with neutral smell and taste. It is distilled from sugarcane molasses. Extra Neutral Alcohol that is produced by re-distillation of rectified spirit, which helps in removing low volatile impurities and high volatile impurities present in it. Extra Neutral Alcohol is the best quality of alcohol which is used for Alcoholic Beverages having lowest impurities to give higher taste. Molasses base Extra Neutral Alcohol is little sweetness in taste. Extra Neutral Alcohol is used as volatile carriers in flavour & Fragrances, potable liquor for human consumption.

## **OUR LOCATION:**

<b>Registered Office</b>	UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India
<b>Corporate Office &amp; Factory</b>	Gat No. 45/2, 47/2, 48/2 and 50/2, Village Rangoan (Ranmodwadi) Walchandnagar, Taluka Indapur, Dist. Pune – 413114, Maharashtra, India

## **OUR COMPETITIVE STRENGTH:-**

### **1. Strategic Location of Manufacturing Unit / Location Advantage:-**

Our factory is situated at Walchandnagar, Maharashtra where we have set up our manufacturing units which is well known for Sugar and distillation industry which gives an advantage for easy availability of raw material i.e. molasses used for manufacturing of Spirit. Thus, procurement of these raw materials is less time consuming and comparatively cheaper due to savings on freight. Additionally it also provides easy marketing to our Products supplied to Alcohol manufacturing companies and Chemicals Industries. Hence the location of the site is advantageous to the company in transportation of Raw materials as well as the finished products.

### **2. Experienced Management Team:-**

Our Promoters have played a key role in developing our business and we benefit from their leadership and significant experience in Distillation industry. Our experienced management and employees have successfully expanded our business through proper customization under the guidance of our Promoters and thereby increasing our revenues. Our Promoter Directors, Mr. Amardeepsingh Triloksingh Sethi and Mr. Dharampal Kimatram Kalani, both have about 15 years of experience in field of distillation and have in-depth knowledge of the products and industry in which we operate. Our Promoters are actively involved in our operations and bring to our Company their vision and leadership which we believe has been instrumental in sustaining our business operations. Our Company feels that the strength of any successful organization lies in the experience and guidance of its team leaders and staff alike.



### **3. Quality Assurance and Standards:**

We believe in providing our customers the best possible quality by manufacturing and removing impurities from Spirit. Quality standards followed right from the beginning were very stringent, and adhere during the distillation process of spirit. We are very particular from usage of right quality of molasses to following the right procedure for fermentation. Our dedicated efforts towards the quality of products, processes and inputs have helped us gain a competitive advantage over others. There are quality checks in place that prevent any defective material from reaching the customer. We believe that our quality products have earned us a goodwill from our customers, which has resulted in repeat orders from many of them.

### **4. Well Established Manufacturing facilities:-**

Our existing manufacturing facility is established in the state of Maharashtra, Walchandnagar with total area of approx 40 Acres of land with sufficient plant & machinery installed thereat. Our factory is fully equipped automatically operated distillery with fermentation tanks, analyzer column, rectifier column, simmering column and Programmable Logic Controller. The Distillery unit has processing plant for manufacturing rectified spirit and Denatured spirit and further conversion of rectified spirit to Extra Neutral alcohol. Additionally our factory has Effluent treatment plant (ETP) for degradation of waste and CO<sub>2</sub> plant which is generated during the process of distillation. The established manufacturing plant adds significant competitive advantage in distillation process of our Company.

### **5. Existing relationship with suppliers:-**

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

## **OUR BUSINESS STRATEGIES:-**

### **1. Improve capacity utilization and increase operational efficiencies:-**

We are focused on further integrating our operations and improving capacity utilization at our production facilities and optimize product planning across product categories. Higher capacity utilization results in greater production volumes and higher sales, and therefore allows us to spread fixed costs over higher sales, thereby increasing profit margins. We also continue to identify various strategic initiatives to improve our operational efficiencies and reduce operating costs. For example, we have set up a captive co-generation power facility to simultaneously produce electric power from turbine along with steam required for manufacturing process, from the same fuel, thereby reducing costs of fuel and power. We continue to adopt best practices and standards across our production facilities, drawing on our management's expertise and experience in distillation. We continue to target economies of scale to gain increased negotiating power on procurement and to realize cost savings through centralized deployment and management of production, maintenance, accounting and other support functions.

### **2. To build-up a professional organization:-**

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

### **3. Maintain consistent profitability:-**

We have generated strong revenue from operations in past decade from the year 2006 to 2016 at a growth stage under the leadership of our Promoters Mr. Amardeep Singh Trilok Singh Sethi and Mr. Dharampal Kimatram Kalani. This has enabled us to further invest in our business. Our sales have been increased from Rs. 664.36 Lacs in the year 2006 to Rs. 4617.99 Lacs in the



year 2016 with increase in profit from Rs. 19.36 Lacs in the year 2006 and to Rs. 311.36 Lacs in the year 2016 as per audited financial statement of our Company. The strength of our financial statement in terms of sales and profitability provides us with a number of competitive advantages.

#### **4. Optimal Utilization of Resources:-**

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

#### **5. Leveraging our Market skills and Relationships:-**

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

#### **SWOT ANALYSIS:-**

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

#### **MARKETING:-**

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

#### **MARKETING STRATEGY:-**

In future we intend to focus on following marketing strategies:

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

#### **COMPETITION:-**

We face substantial competition for our products from other manufacturers in domestic market. Our competition varies for our products and regions. We compete with other manufacturers on the basis of purity of rectified spirit, Denatured Spirit and Extra Neutral Alcohol including factors, based on reputation, regional needs, and customer convenience. While these factors are key



parameters in client's decisions matrix in purchasing goods; product range, product quality and product price is often the deciding factor in most deals. Some of our major competitors are:-

- Globus Spirit Limited
- Som Distilleries Limited

**SIGNIFICANT DEVELOPMENT SUBSEQUENT TO THE LAST FINANCIAL YEAR:-**

In the opinion of the Board of Directors of our Company, there have not arisen any circumstances since the date of the last financial statements disclosed in this Prospectus that materially or adversely affect the operations or profitability of the Company or the Value of its assets or its ability to pay its liability within next twelve months except below changes occurred after Balance Sheet date:-

1. We have appointed Mr. Amardeepsingh Triloksingh Sethi as Additional Director of the Company with effect from April 25, 2016.
2. The authorized capital of the Company was increased from ₹ 2,10,00,000/- divided into 21,00,000 Equity Shares of ₹ 10/- each to ₹ 9,00,00,000/- divided into 90,00,000 Equity Shares of ₹ 10/- each vide shareholders Resolution dated May 19, 2016.
3. Company has allotted 40,00,000 Bonus Shares in the ratio of 2:1 to existing shareholders by capitalization ₹ 4,00,00,000 from Reserve and surplus vide shareholder resolution dated May 19, 2016.
4. Company was converted from Private Limited to Public Limited Company vide shareholders Resolution dated May 19, 2016 and further received the Certificate of Incorporation dated June 07, 2016 upon conversion to Public Limited Company.
5. Regularization of Mr. Amardeepsingh Triloksingh Sethi as Director of the Company with effect from May 19, 2016.
6. We have passed a special resolution in shareholders meeting dated June 13, 2016 authorizing the Board of Directors to raise funds by making an Initial Public Offering up to Rs. 900.00 Lacs.
7. We have changed the designation of Mr. Amardeepsingh Triloksingh Sethi from Director to Chairman & Whole-time Director in shareholders meeting dated June 13, 2016 for a period of five years w.e.f. June 13, 2016.
8. We have changed the designation of Mr. Dharampal Kimatram Kalani from Director to Managing Director in shareholders meeting dated June 13, 2016 for a period of five years w.e.f. June 13, 2016.
9. We have appointed Mr. Uday Balwant Hemade as Chief Financial Officer of the Company with effect from June 15, 2016.
10. We have appointed Mrs. Sheetal Jagetiya as Company Secretary & Compliance officer of the Company with effect from June 15, 2016.
11. We have Change our registered office from 560, Preeti Apartment, 1<sup>st</sup> Floor, 18<sup>th</sup> Road, Next to Laxminarayan Mandir, Khar West, Mumbai, Maharashtra-400052 to UG 109, Upper Ground, Dreams Mall, LBS Road, Bhandup (West), Mumbai-400078, Maharashtra, India with effect from August 01, 2016
12. We have appointed Mr. Ashokchandra Dwarkadhish Dhish, Mr. Karan Vallabh Yadav and Mr. Gurnamsing Surendrasing Bhatiyani as Non Executive Independent Director of the with effect from August 30, 2016.
13. We have appointed Mr. Prakash Madhavrao Sawant as Non Executive Independent Director with effect from September 19, 2016



**FACTORS AFFECTING OUR FUTURE RESULTS OF OPERATIONS:-**

Our results of operations could potentially be affected by the following factors amongst others:

1. Disruption in our manufacturing facilities.
2. Failure to comply with regulations prescribed by authorities of the jurisdictions in which we operate;
3. Inability to successfully obtain registrations in a timely manner or at all;
4. Our ability to effectively manage a variety of business, legal, regulatory, economic, social and political risks associated with our operations;
5. Disruption in supply of Raw Materials i.e. Molasses.
6. Changes in laws and regulations relating to the industries in which we operate;
7. Effect of lack of infrastructure facilities on our business;
8. Increased in prices of Raw Material
9. Occurrence of Environmental Problems & Uninsured Losses;
10. Our ability to successfully implement our growth strategy and expansion plans;
11. Our ability to meet our capital expenditure requirements;
12. Our ability to attract, retain and manage qualified personnel;
13. Failure to adapt to the changing technology in our industry of operation may adversely affect our business and financial condition;
14. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
15. Occurrence of natural disasters or calamities affecting the areas in which we have operations;
16. Conflicts of interest with affiliated companies, the promoter group and other related parties;
17. The performance of the financial markets in India and globally;
18. Any adverse outcome in the legal proceedings in which we are involved;
19. Our ability to expand our geographical area of operation;
20. Concentration of ownership among our Promoters.

**Our Significant Accounting Policies:**

Our significant accounting policies are described in the section entitled “*Financial Information of the Company*” on page 166 of this Prospectus.

**Change in accounting policies in previous 3 (three) years**

Except as mentioned in chapter “*Financial Information of the Company*” on page no. 166 , there has been no change in accounting policies in last 3 (three) years.

**Summary of the Results of Operations**



***Aurangabad Distillery Limited***

The following table sets forth financial data from restated profit and loss account for the financial Year ended on March 31, 2016, 2015, 2014, 2013 the components of which are also expressed as a percentage of total income for such periods.

(Amount in Rs.)

Particulars (For the Year ended)	31st March 2016	% of Total Income	31st March 2015	% of Total Income	31st March 2014	% of Total Income	31st March 2013	% of Total Income	31st March 2012	% of Total Income
Revenue from Operation	461799977	99.64	362309929	99.96	331815998	99.93	282762480	98.65	245749020	99.96
Other Income	1682722	0.36	161670	0.04	237831	0.07	3863129	1.35	97261	0.04
<b>Total Income</b>	<b>463482699</b>	<b>100.00</b>	<b>362471599</b>	<b>100.00</b>	<b>332053829</b>	<b>100.00</b>	<b>286625609</b>	<b>100.00</b>	<b>245846281</b>	<b>100.00</b>
<b>Expenditure:</b>										
Cost of Material Consumed	304267446	65.65	292731901	80.76	248970110	74.98	223589667	78.01	162199060	65.98
Purchases of Traded Goods	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Changes in Inventories of finished goods, work in progress and stock -in-trade	2210228	0.48	-7069436	-1.95	-5030826	-1.52	-4890768	-1.71	-2939928	-1.20
Employee benefits expense	14500790	3.13	12664488	3.49	13357431	4.02	10614216	3.70	8417634	3.42
Finance costs	16212133	3.50	4702357	1.30	6932242	2.09	8185848	2.86	11730240	4.77
Depreciation and amortization expense	17270488	3.73	12304745	3.39	13289356	4.00	12548440	4.38	11832305	4.81
Administrative & Other exp.	60267089	13.00	29344921	8.10	33467767	10.08	24703029	8.62	35679068	14.51
<b>Total Expenses</b>	<b>414728174</b>	<b>89.48</b>	<b>344678976</b>	<b>95.09</b>	<b>310986080</b>	<b>93.66</b>	<b>274750432</b>	<b>95.86</b>	<b>226918379</b>	<b>92.30</b>
Net Profit before tax, exceptional & extra-ordinary items:	48754525	10.52	17792623	4.91	21067749	6.34	11875177	4.14	18927902	7.70
Exceptional E-ordinary items	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
<b>Net Profit before tax</b>	<b>48754525</b>	<b>10.52</b>	<b>17792623</b>	<b>4.91</b>	<b>21067749</b>	<b>6.34</b>	<b>11875177</b>	<b>4.14</b>	<b>18927902</b>	<b>7.70</b>
<b>Provision for Tax:</b>										
- Current Tax	9675000	2.09	6050000	1.67	3000000	0.90	2300000	0.80	3620000	1.47
-MAT Credit (Entitlement) /Set-Off	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
- Deferred Tax Liability / (Asset)	-14764280	-3.19	34740378	9.58	1845948	0.56	912492	0.32	3049566	1.24
-Short/(Excess) Provision of Earlier Years	-3544343	-0.76	1519739	0.42	260562	0.08	360823	0.13	-101030	-0.04
Restated profit after tax from continuing operations	<b>57388148</b>	<b>12.38</b>	<b>-24517494</b>	<b>-6.76</b>	<b>15961239</b>	<b>4.81</b>	<b>8301862</b>	<b>2.90</b>	<b>12359366</b>	<b>5.03</b>





### **Key Components of Company's Profit And Loss Statement**

**Revenue from sale of Goods:** Revenue from operations mainly consists of manufacturing and sale of Rectified Spirit, Denatured Alcohol and Spirits.

**Other Income:** Other income primarily comprises of Interest Income.

**Expenses:** Company's expenses consist of cost of raw material consumed, employee benefits expense, finance costs, depreciation and amortization expense and Administration & other expenses.

**Change in inventories of finished Goods, WIP and Stock-in-Trade:-** It includes inventory, WIP & finished goods of rectified Spirit.

**Employee Benefits Expense:** Employee benefit expense includes Salaries and Wages and Staff Welfare Expenses, Contribution to ESIC & PF, Bonus to Employees and Provision for Gratuity.

**Finance Costs:** Finance cost comprises interest on Indebtedness, Bank and other Finance charges.

**Depreciation and Amortization Expense:** We recognize Depreciation and Amortization expense on a Straight Line Method (SLM method) as per the rates set forth in the Companies Act, 2013/ Companies Act, 1956, as applicable.

**Administration & Other Expenses:** Other expenses include electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc.

### **Financial Performance Highlights for the year ended 31<sup>st</sup> March, 2016**

#### **Total Income:**

The company's total income during year ended March 31, 2016 was ₹ 4634.83 Lacs. The revenue from Sale of Spirits was ₹ 4618.00 Lacs which comprised 99.64 % of company's total income for the half year ended March 31, 2016.

#### **Total Expenses:**

The total expenditure during the year ended March 31, 2016 was ₹ 4147.28 Lacs. The total expenditure represents 89.48% of the total revenue. The total expenses are represented by Cost of Material Consumed, Changes in Inventories of goods, Employee Benefits Expense, Finance Costs, Depreciation and Amortization Expense, Other Expenses for Administrative and Selling. The main constituent of total expenditure is Cost of Material Consumed, which is ₹ 3042.67 Lacs.

#### **Profit/ (Loss) after tax:**

The restated net profit during the year ended March 31, 2016 was ₹ 573.88 Lacs representing 12.38% of the total revenue of the Company.

### **COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2016 WITH FISCAL 2015**

#### **Total Income:**

During the year 2015-16 the total revenue of the company increased to ₹ 4634.83 Lacs as against ₹ 3624.72 Lacs in the year 2014-15, representing an increase of 27.46% of the total revenue. This increase was mainly due to increase in sale of Goods.

#### **Other Income:**

Other income of the Company for the year 2015-16 was ₹ 16.83 Lacs in comparison with ₹ 1.62 Lacs for F.Y. 2014-15.



***Total Expenses:***

The total expenditure for the year 2015-16 increased to ₹ 4147.28 Lacs from ₹ 3446.79 Lacs in year 2014-15, representing an increase of 20.32% to the previous year.

***Cost of Goods consumed:***

The Cost of Material Consumed for the year 2015-16 increases to ₹ 3042.67 Lacs from ₹ 2927.32 Lacs, representing a decrease of 3.94% to the 2014-15.

***Employee Benefits Expense:***

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses increase to ₹ 145.01 Lacs during the F.Y. 2015-16 from ₹ 126.64 Lacs in the previous year 2014-15.

***Finance Costs:***

Finance cost for the year 2015-16 increased to ₹ 162.12 Lacs as against ₹ 47.02 Lacs of the year 2014-15. This increase in amount was due to increase in interest of the Company.

***Depreciation and Amortization Expense:***

Depreciation for the year 2015-16 stood at ₹ 172.70 Lacs calculated at SLM method as per companies Act. For the year 2014-15 the same was ₹ 123.05 Lacs.

***Other Expenses:***

Other expenses include electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2015-16 increased to ₹ 602.67 Lacs as against ₹ 293.45 Lacs of the year 2014-15.

***Profit/ (Loss) Before Tax***

The company's profit before tax for F.Y. 2015-16 increase to Rs 487.55 Lacs from ₹ 177.93 Lacs in the year 2014-15 representing a increase of 174.02% to the previous year.

***Profit/ (Loss) After Tax***

For the year 2015-16 the profit stood at ₹ 573.88 Lacs as against the loss of ₹ 245.17 Lacs for the year 2014-15, representing an increase of 334.07% to the previous year.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2015 WITH FISCAL 2014**

***Total Income:***

During the year 2014-15 the total revenue of the company increased to ₹ 3623.10 Lacs as against ₹ 3318.16 Lacs in the year 2013-14, representing an increase of 9.19% of the total revenue. This increase was mainly due to increase in sale of Products.

***Other Income:***

Other income of the Company for the year 2014-15 was ₹ 1.62 Lacs in comparison with ₹ 2.38 Lacs for F.Y. 2013-14.



***Total Expenses:***

The total expenditure for the year 2014-15 increased to ₹ 3446.79 Lacs from ₹ 3109.86 Lacs in year 2013-14, representing an increase of 10.83% to the previous year. This was due to surge in trade volume of business, which resulted in increase in expenses viz. Cost of Sale and other expenses.

***Cost of Material Consumed:***

The Cost of Material Consumed for the year 2014-15 increased to ₹ 2927.32 Lacs from ₹ 2489.70 Lacs, representing a fall of 17.58% to the 2013-14.

***Employee Benefits Expense:***

The Employee Benefit Expense comprises of salaries and wages and staff welfare expenses. The said expenses decrease to ₹ 126.64 Lacs during the F.Y. 2014-15 from ₹ 133.57 Lacs in the previous year 2013-14.

***Finance Costs:***

Finance cost for the year 2014-15 decreased to ₹ 47.02 Lacs as against ₹ 69.32 Lacs of the year 2013-14. This decrease in amount was due to pre payment of borrowings of the Company.

***Depreciation and Amortization Expense:***

Depreciation for the year 2014-15 stood at ₹ 123.05 Lacs calculated at SLM method as per companies Act. For the year 2013-14 the same was ₹ 132.89 Lacs.

***Other Expenses:***

Other expenses include electricity, freight, repairs, office maintenance exp, travelling and conveyance exp, telephone and internet exp and miscellaneous expenditure etc. These expenses were for the year 2014-15 decreased to ₹ 293.45 Lacs as against ₹ 334.68 Lacs of the year 2013-14.

***Profit/ (Loss) Before Tax***

The company's profit before tax for F.Y. 2014-15 decrease to Rs 177.93 Lacs from ₹ 210.68 Lacs in the year 2013-14 representing a decrease of 15.55% to the previous year.

***Profit/ (Loss) After Tax***

For the year 2014-15 the loss stood at ₹ 245.17 Lacs as against the profit of ₹ 159.61 Lacs for the year 2013-14, representing a decrease of 253.61% to the previous year.

**COMPARISON OF THE FINANCIAL PERFORMANCE OF FISCAL 2014 WITH FISCAL 2013**

**Total Income:**

During the F.Y. 2013-14 the total income of the Company increased to ₹ 3320.54 Lacs as against previous financial year 2012-13 of ₹ 2866.26 Lacs representing an increase of 15.85%. This increase was mainly due to increase in revenue from sale of product in FY 2013-14 .



**Total Expenses:**

Total expenditure for the F.Y. 2013-14 increased to ₹ 3109.86 Lacs from ₹ 2747.50 Lacs in FY 2012-13 an increase of 13.19%. This was due to increase in volume of business, which resulted in increase in expenses viz. Cost of material sold, employees benefit expenses, changes in inventory of Finished Goods and other expenses.

**Employee benefits expense:**

Employee benefits expense increased to ₹ 133.57 Lacs in the year F.Y 2013-14 from ₹ 106.14 Lacs in FY 2012-13, i.e. a increase of 25.84%. This was also due to increase in business activities in the Company.

**Finance Costs:**

Finance costs decreased to ₹ 69.32 Lacs in F.Y 2013-14 as compared to F.Y 2012-13 in which it was ₹ 81.86 Lacs

**Depreciation and amortization expense:**

Depreciation and amortization expense increased in FY 2013-14 to ₹ 132.89 Lacs from ₹ 125.48 Lacs compare to previous year FY 2012-13.

**Other expenses:**

Other expenses for the F.Y 2013-14 increased to ₹ 334.68 Lacs whereas it was ₹ 247.03 Lacs in previous F.Y. 2012-13.

**Net Profit before tax:**

Net Profit before tax for the F.Y 2013-14 increased to ₹ 210.68 Lacs as against ₹ 118.75 Lacs of the previous year 2012-13. The increase in profit was 77.41 % due to the decreased expenses during the year.

**Profit after tax:**

The Restated profit after tax for the F.Y 2013-14 increased to ₹ 159.61 Lacs as against ₹ 83.02 Lacs in the previous year 2012-13.

**Information required as per Item (2) (IX) (E) (5) of Part A of Schedule VIII to the SEBI Regulations:**

**An analysis of reasons for the changes in significant items of income and expenditure is given hereunder:**

***1. Unusual or infrequent events or transactions***

There has not been any unusual trend on account of our business activity. There are no Unusual or infrequent events or transactions in our Company. The transactions are as per usual business operations.

***2. Significant economic changes that materially affected or are likely to affect income from continuing operations.***

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 15 in the Prospectus, in our opinion there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations.



**4. Future changes in relationship between costs and revenues**

Our Company's future costs and revenues will be determined by demand/supply situation in Distillery sector, government policies and prices quoted by our suppliers for molasses.

**5. Total turnover of each major industry segment in which our Company operates**

The Company is in the business of the manufacturing of Spirits. Relevant industry data, as available, has been included in the chapter titled "**Industry Overview**" beginning on page 96 of this Prospectus.

**6. Increases in net sales or revenue and Introduction of new products or services or increased sales prices**

Increases in revenues are by and large linked to increases in volume of our distillery business.

**7. Status of any publicly announced New Products or Business Segment**

Our Company has not announced any new product.

**8. Seasonality of business**

Our Company's business is not seasonal in nature.

**9. Dependence on few customers/ clients**

The percentage of contribution of our Company's Top Customers/Clients for the year ended March 31, 2016 is as follows:

**Our Major Customers/ Clients for the year ended March 31<sup>st</sup>, 2016**

<b>Name of the Clients</b>	<b>Amount (₹ in Lacs)</b>	<b>As % of total turnover</b>
Karmaveer Shankarrao Kale S.S.K. Ltd.	1109.76	19.94
Karan Bottling Company Pvt. Ltd.	603.53	10.84
Baramati Agro Ltd.	441.08	7.92
Laxmi Organic Industries Ltd.	438.07	7.87
Excel Industries Ltd	331.97	5.96
Brihan Karan Sugar Syndicate Pvt. Ltd.	299.64	5.38
Vidarbha Liquor Corporation	269.10	4.83
Ashok Alco Chem Ltd.	263.83	4.74
Balaji Amines Ltd.	227.10	4.08
Lokranjan Breweries Pvt. Ltd.	190.51	3.42
<b>Total</b>	<b>4174.59</b>	<b>75.00</b>

*\*The above value is inclusive of all applicable taxes and incidental expenses.*

**Our Major Suppliers of Raw material for the year ended March 31<sup>st</sup>, 2016**

<b>Name of the Supplier</b>	<b>Amount (₹ in Lacs)</b>	<b>As % of total purchase</b>
Shri Vitthalsai SSK Ltd.	526.21	19.45
Bhairavnath Sugar Works Ltd. Unit-2	340.61	12.59
Shivratna Udyog Ltd. Karkamb	304.06	11.24
Bhairavnath Sugar Works Ltd. Unit-3	292.62	10.81
Shambhu Mahadev Sugar & Allied Industries Ltd.	190.68	7.05
Shivratna Udyog Ltd. Alegaon	156.12	5.77
Siddhanath Sugar Mills Ltd.	134.13	4.96
Shri Makai SSK Ltd.	130.17	4.81



***Aurangabad Distillery Limited***

Shree Chhatrapati SSK Ltd.	110.74	4.09
Jakraya Sugar Ltd.	106.80	3.95
<b>Total</b>	<b>2292.15</b>	<b>84.72</b>

*\*The above value is inclusive of all applicable taxes and incidental expenses.*

***10. Competitive conditions***

Competitive conditions are as described under the Chapters “***Industry Overview***” and “***Our Business***” beginning on pages 96 and 104 respectively of the Prospectus.

***11. Details of material developments after the date of last balance sheet i.e. March 31, 2016***

Except as mentioned below, no circumstances have arisen since the date of last financial statement until the date of filing the Prospectus, which materially and adversely affect or are likely to affect the operations or profitability of our Company, or value of its assets, or its ability to pay its liability within next twelve months. There is no subsequent development after the date of the Auditor’s Report, which will have a material impact on the reserves, profits, earnings per share and book value of the Equity Shares of the Company.

**SECTION VI – LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENT**

*Except as described below, there are no outstanding litigations, suits, civil or criminal prosecutions, proceedings before any judicial, quasi-judicial, arbitral or administrative tribunals, including pending proceedings for violation of statutory regulations or alleging criminal or economic offences or tax liabilities or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of Part I of Schedule XIII of the Companies Act ) against our Company, Promoter, Group Companies and Directors as of the date of this Prospectus that would have a material adverse effect on our business. There are no defaults, non-payments or overdue of statutory liabilities, institutional/ bank dues and dues payable to holders of debentures or fixed deposits and arrears of cumulative preference shares that would have a material adverse effect on our business.*

*The Company has a policy for identification of Material Outstanding Dues to Creditors in terms of the SEBI(ICDR) Regulations, 2009 as amended for creditors where outstanding due to any one of them exceeds Rs. 1,00,000/-.*

*Further, Our Company has a policy for identification of Material Litigation in terms of the SEBI (ICDR) Regulations, 2009 as amended for disclosure of all pending litigation involving the Issuer, its directors, promoters and group companies, other than criminal proceedings, statutory or regulatory actions where the monetary amount of claim by or against the entity or person in any such pending matter(s) is in excess of Rs. 1,00,000/- and where the amount is not quantifiable, such pending cases are material from the perspective of the Issuer's business, operations, prospects or reputation.*

**PART 1: CONTINGENT LIABILITIES OF OUR COMPANY**

Particulars	Amount (in Lacs)
Outstanding Tax demand	449.96
<b>Total</b>	<b>449.96</b>

**PART 2: LITIGATION RELATING TO OUR COMPANY****A. FILED AGAINST OUR COMPANY****1) Litigation involving Criminal Laws****Revision (ULP) No. 48 of 2014 between Mr. Surendra Shivram Bansode v/s Aurangabad Distillery Private Limited**

Mr. Surendra Shivram Bansode filed a Com. ULP No. 187/2012 before the Hon'ble Industrial Court, Pune against the Director, Aurangabad Distillery Pvt. Ltd. and in the matter, the Hon'ble Industrial Court, Pune has passed order Exh.U-2 on July 09, 2012 and thereby directed respondent to pay 100% monthly salary to the Mr. Surender Shivram Bansode (hereunder referred as "Complainant" and "Applicant") from the month onwards until further order. Later on the Hon'ble Industrial Court, Pune confirm said order on September 05, 2013. According to Complainant, Aurangabad Distillery Pvt. Ltd. (hereunder referred as "respondent" and "accused") has not complied the above order and thereby committed contempt of above order. Hence process is issued against accused for the offence punishable under section 48(1) of the MRTU & PULP Act for non compliance of the order. Company filed and contended that Director or the Company has not committed contempt of above order and paid 100% of wages from the date of order amounting Rs. 152983/- .After verification of documents submitted by accused and complainant, the court is in view that the complainant has received allowance during suspension period. Thus in view of above facts and circumstances and section 10 A of Industrial Employment (Standing Orders) Act, 1946 it cannot be said that accused/respondent committed contempt of above order. Against the said dismissal Mr. Surendra Shivram Bansode has filed a Revision Application (ULP) No. 48 of 2014 in Criminal Complaint (ULP) No. 34 of 2013 against the Company through its Director before the Ld. Industrial Court, Pune whereby the impugned order dated 04/07/2014 passed in Criminal Contempt Petition (ULP) No. 34/2013 was challenged by the Applicant. The matter is pending for hearing.





**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

**NIL**

**3) Litigation involving Tax Liability**

**Direct Tax**

*For Assessment year 2008-09*

For AY 2008-09, the Company return was processed under 143(1) of the Income Tax Act, 1961 & subsequently the said return was picked up for the scrutiny Assessment under the provisions of Section 143(3) of the Act of 1961. The Company was assessed and a demand consequent to such assessment was created vide Notice of Demand dated 30/12/2010 issued u/s 156 of the Act of 1961 whereby tax demand of Rs. 11,14,438/- was fastened to the Company. Subsequent thereto the Company made a rectification application under the provisions of section 154 of the Act of 1961 whereby the aforesaid demand was reduced from Rs. 11,14,438/- to Rs. 5,30,869/-. Further status in the matter is pending for information.

*For Assessment year 2012-13*

In respect of the Assessment Year 2012-13, our Company has received intimation under Section 143(1) of the Income Tax Act, 1961 dated May 16, 2013 vide communication reference no. CPC/1213/P6/1222294466 for the additional demand of Rs. 1,81,260/-. Our Company has a rectification request in Income Tax department for above demand. Further status in the matter is pending for information.

*TDS Demand in respect of the Financial Year 2012-13*

Company has delayed in filing the TDS return in the year 2012-13 and the total liability for the Short deduction, interest on payment default and interest on deduction under section 201 Income Tax Act, 1961 is Rs. 1,11,251/-. Further status in the matter is pending for information.

*For Assessment year 2014-15*

In respect of the Assessment Year 2014-15, our Company Aurangabad Distillery Pvt. Ltd. has received intimation under Section 143(1) of the Income Tax Act, 1961 dated May 11, 2015 vide communication reference no. CPC/1415/A6/1503744039 whereby a demand of Rs. 8,50,605/-. Further status in the matter is pending for information.

*TDS Demand in respect of the Financial Year 2015-16*

Company has delayed in filing the TDS return in the year 2015-16 and the total liability for the Short deduction, interest on payment default and interest on deduction under section 201 Income Tax Act, 1961 is Rs. 1,31,138/-. Further status in the matter is pending for information.

**Indirect Tax**

The company has vide Show Cause cum Demand Notice dated 05/12/2014 from the Office of The Commissioner Of Central Excise, Pune III Commissionerate under Central Excise Act, 1994 has been advised to provide reason as why the CENVAT Credit availed by the Company between November 2009 to March 2014 amounting to Rs. 4,29,86,957/- towards CENVAT Credit of and Rs. 22,957/- and Rs. 4,15,969/- for duty payment on Molasses towards clearance of fossil fuel and carbon dioxide respectively, along with interest at the appropriate rate and also penalty under Rule 15 (2) of the CENVAT Credit Rules, 2004 read with section 11-AC of the Central Excise Act, 1944 be not levied on the company. The Department has contended under the said notice that as per the Circular No. 808/05/2005-CX dated 25/02/2005, Denatured Ethyl Alcohol (one of the finished product) are non excisable goods hence the Cenvat Credit towards the excise paid for its input in Molasses is non admissible. Whereas based on judicial judgments and subsequent circulars of CBEC, the company claims the said products to be exempted excisable goods and hence CENVAT credit towards its input is eligible for set off against



duty paid goods. The company has filed the reply to the said show cause notice dated 16/02/2015. The matter is pending for disposal.

**4) Other Pending Litigation**

NIL

**B. CASES FILED BY OUR COMPANY**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

NIL

**4) Other Pending Litigation**

NIL

**PART 3: LITIGATION RELATING TO OUR DIRECTORS AND PROMOTERS OF THE COMPANY**

**A. LITIGATION AGAINST OUR DIRECTORS AND PROMOTERS**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

**Kanyalal Kimatram Kalani**

1. In respect of the Assessment Year 2011-12, our Director, Kanyalal Kimatram Kalani received an intimation dated 16/03/2013 under Section 143(1)(a) of the Income Tax Act, 1961 for the payment of Rs. 8,87,228/-. Further status in the matter is pending for information.
2. In respect of the Assessment Year 2015-16, our Director, Kanyalal Kimatram Kalani received an intimation dated 29/07/2016 under Section 143(1)(a) of the Income Tax Act, 1961 for the payment of Rs. 2067150/-. Further status in the matter is pending for information.

**Dharampal Kimatram Kalani**

1. In respect of the Assessment Year 2008-09, our Director, Dharampal Kimatram Kalani received an intimation dated 07/11/2009 under Section 143(1) of the Income Tax Act, 1961 for the payment of Rs. 1,73,574/-. Further status in the matter is pending for information.



## ***Aurangabad Distillery Limited***

2. In respect of the Assessment Year 2013-14, our Director, Dharampal Kimatram Kalani received an notice of demand dated 27/01/2016 under Section 156 of the Income Tax Act, 1961 for the payment of Rs. 651110/-. Further status in the matter is pending for information.

### ***Jagjitkaur Amardeepsingh Sethi***

1. In respect of the Assessment Year 2009-10, our Director, Jagjitkaur Amardeepsingh Sethi received an intimation dated 23/01/2013 under Section 154 of the Income Tax Act, 1961 for the payment of Rs. 1,06,740/-. Further status in the matter is pending for information.

#### **4) Other Pending Litigation**

NIL

### **B. LITIGATION FILED BY OUR DIRECTORS AND PROMOTERS**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Litigation involving Tax Liability**

NIL

#### **4) Other Pending Litigation**

NIL

### **PART 4: LITIGATION RELATING TO OUR GROUP COMPANIES**

#### ***M/s Brihan Karan Sugar Syndicate Private Limited***

### **A. LITIGATION AGAINST OUR GROUP COMPANIES**

#### **1) Litigation involving Criminal Laws**

NIL

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Litigation involving Tax Liability**

Direct Tax

1. In respect of the Assessment Year 2011-12, our Group Company Brihan Karan Sugar Syndicate Pvt. Ltd. had received a notice of demand dated 28/03/2013 under Section 156 for the payment of Rs. 16,43,930/- pursuant to order passed by Assessing Office under section 143(3) of Income Tax Act, 1961 for disallowance of expenses amounting to Rs. 121600/-, Rs. 134000/-, Rs. 10170/- and Rs. 6,20,561/- in respect of return of Income filed by our Group Company. Further during the year 2011-12, the search was conducted under section 132 of Income Tax Act, 1961 in premises of



our Group Company and notice under Section 271AAA dated 28/03/2013 was issued thereafter. The order dated 30/03/2013 in respect of penalty proceeding under section 271AAA of Income Tax Act, 1961 was passed for 10% penalty i.e. Rs. 76,470/- on undisclosed income of Rs. 7,64,731/- (Rs. 134000/- + Rs. 10170/- + Rs. 6,20,561). The Notice under section 156 for demand of Rs. 76470/- dated 30/09/2013 was issued to our Group Company.

Later for Assessment Year 2011-12, our Group Company has received an order under section 143(3) of Income Tax Act, 1961 dated 01/03/2016 for original return of Income filed on 29/09/2011 assessing the total Income of Rs. 3,49,41,121/- and the case was assessed under 143(3) by Income Tax Department with total income of Rs. 3,49,41,121/-. Further a search was conducted by Maharashtra Sales Tax department over the cases several dealers located across the state of Maharashtra indulge in providing accommodation entries against a nominal commission. Our Group Company has purchased material from parties Gaurav Enterprises and M/s HR sales Pvt. Ltd. who were involved in above search amounting to Rs. 72,19,107/- and Rs. 17,33,424/- respectively and was considered inflated purchases by Assessing Officer. The total amount of Rs. 89,52,531/- was added to total income of our Group Company and increase to Rs. 4,38,93,652/- and Notice of demand under section 156 of Income Tax Act, 1961 was issued for Rs. 41,98,090/- dated 01/03/2016. In response for above assessment, our Group Company has filed an appeal dated March 20, 2016. Further proceedings are still pending with the concerned Authorities.

Indirect Tax - NIL

#### **4) Other Pending Litigation**

NIL

### **B. LITIGATION FILED BY OUR GROUP COMPANIES**

#### **1) Litigation involving Criminal Laws**

1. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed SSC no. 412181/2015 registered dated June 19, 2015 against Shankar Rajkumar Govindani under section 138 r/w sec 142 of Negotiable Instrument Act for dishonor of cheque in court of Chief Judicial Magistrate, Pune. The case is pending before Joint Civil Judge JD and JMFC, Pune. The case is on the stage of Verification and the next date of hearing is September 26, 2016. Further status in the matter is pending for information.

#### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

#### **3) Litigation involving Tax Liability**

Direct Tax – NIL  
Indirect Tax - NIL

#### **4) Other Pending Litigation**

1. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed regular civil suit RCS no. 1900001/2014 registered dated March 16, 2014 against Vitthal Distilleries Limited for infringement of copyright and passing off in The District Court and Addl. Session Court, Bhoom. The matter is on the stage of Argument on Exchange and the next date of hearing is 29/06/2016. Further status in the matter is pending for information.
2. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed regular civil suit with case no. RCS 1900001/2015 registered dated September 16, 2015 against Vitthal Distilleries Limited for infringement of copyright and passing off under the Copyright Act, 1957 in The District Court and Addl. Session Court, Bhoom. The case is at the stage of Argument on Exchange and the next date of hearing is 28/06/2016. Further status in the matter is pending for information.



### **Aurangabad Distillery Limited**

3. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed civil suit with case no. 3/2016 registered dated February 02, 2016 against Som Distilleries and Breweries Limited for infringement of trademark under civil Procedure code in The District and Session Court, Nashik. The case is at the stage of Written Statement and Say and the next date of hearing is 28/6/2016. Further status in the matter is pending for information.
4. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed civil suit with case no. 7/2016 registered dated June 16, 2016 against Vishwaraj Sugar Industries Limited for infringement of trademark under Civil Procedure Court in The District and Session Court, Nashik. The case is on the stage of Unready Board and the next date of hearing is 18/07/2016. Further status in the matter is pending for information.
5. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed civil suit with case no. R.C.S. 1/2016 presented dated June 13, 2016 against Deccan Bottling & Distilling Industries Pvt. Ltd. for infringement of copyright and passing off in District and Session Court, Aurangabad. The case is pending before Hon'ble District Judge, Aurangabad. Further status in the matter is pending for information.
6. The Group Company, Brihan Karan Sugar Syndicate Pvt. Ltd. has filed regular civil suit with case no. 100003/2009 registered dated December 15, 2009 against Dahisar Distilleries Pvt. Ltd. for infringement of trademark, copyright and passing off under the provision of civil procedure court of District Judge 5 and Addl. Session Judge, Dhule. The case is on the stage of Issues. Further status in the matter is pending for information.

### **M/s Satyam Spirit Private Limited**

#### **A. LITIGATION AGAINST OUR GROUP COMPANIES**

##### **1) Litigation involving Criminal Laws**

NIL

##### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3) Litigation involving Tax Liability**

Direct Tax - NIL  
Indirect Tax - NIL

##### **4) Other Pending Litigation**

NIL

#### **B. LITIGATION FILED BY OUR GROUP COMPANIES**

##### **1) Litigation involving Criminal Laws**

NIL

##### **2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

##### **3) Litigation involving Tax Liability**

Direct Tax – NIL  
Indirect Tax - NIL



**Aurangabad Distillery Limited**

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**4) Other Pending Litigation**

NIL

**M/s Metri Spirit Private Limited**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

1. In respect of the Assessment Year 2012-13, our Group Company Metri Spirits Pvt. Ltd. had received a intimation dated 27/01/2014 under Section 143(1)(a) of the Income Tax Act, 1961 for the payment of Rs. 1,98,910/- Further status in the matter is pending for information.

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**M/s Karan Bottling Company Private Limited**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL



**Aurangabad Distillery Limited**

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**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

1. In respect of the Assessment Year 2012-13, our Group Company Karan Bottling Company Pvt. Ltd. had received a intimation dated 27/03/2015 under Section 143(3) of the Income Tax Act, 1961 for the payment of Rs. 8,03,330/- Further status in the matter is pending for information.
2. In respect of the Assessment Year 2013-14, our Group Company Karan Bottling Company Pvt. Ltd. had received a intimation dated 22/02/2016 under Section 143(3) of the Income Tax Act, 1961 for the payment of Rs. 6,31,290/- Further status in the matter is pending for information.

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**M/s Kapil Spirits Private Limited**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax - NIL

Indirect Tax - NIL





**Aurangabad Distillery Limited**

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**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL  
Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**M/s Master Blenders Private Limited**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

1. In respect of the Assessment Year 2012-13, our Group Company Master Blenders Pvt. Ltd. had received a intimation dated 22/02/2013 under Section 143(1)(a) of the Income Tax Act, 1961 for the payment of Rs. 1,63,300/- Further status in the matter is pending for information.

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL



**Aurangabad Distillery Limited**

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**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL  
Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**M/s Nevitad Distillers Private Limited**

**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax - NIL  
Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL  
Indirect Tax - NIL

**4) Other Pending Litigation**

NIL



**A. LITIGATION AGAINST OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax - NIL

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**B. LITIGATION FILED BY OUR GROUP COMPANIES**

**1) Litigation involving Criminal Laws**

NIL

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

NIL

**3) Litigation involving Tax Liability**

Direct Tax – NIL

Indirect Tax - NIL

**4) Other Pending Litigation**

NIL

**PART 5: AMOUNTS OWED TO SMALL SCALE UNDERTAKINGS AND OTHER CREDITORS**

The Board of Directors of our Company considers outstanding due to any one of them exceeds Rs. 1,00,000/- as per Company's last audited financial statements, as material dues for our Company. 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.

Below are the details of the Creditors where outstanding amount as on 31.03.2016 exceeds Rs. 1,00,000/- :-

<b>Name</b>	<b>Balance as on 31.03.2016</b>
Embassy Biogenic (I) Pvt. Ltd.	6,59,139
Sheetal Enterprises	1,52,000
Ajay Engineering	1,25,970
Deccan Enterprises	14,30,126



Sholax Enterprises	1,00,800
Spark Chemicals	2,73,735
Sunshine chemicals	5,05,023
Trikey Bio-Products (I) LLP	2,20,500
Yash Engineering	4,11,895
Gaikwand Patil Associates	1,35,154
Mantras Green Resources Limited	4,12,200
M/s Yash Enterprises	2,13,607
Namdeo Shankar Gaikwand	1,10,484
Natesh & Associates	1,30,358
Patil Tanker Services	18,86,188
Pruthviraj Construction	12,75,895
Sainath Enterprises, Rangaon	2,80,688
Sai Prasad Transport	60,88,341
Shubham Agencies	3,48,925
Sukhadev Yadavrao Sawant	1,43,880
Swapanil M Pawar	1,76,193
Alco Tech Engineering	5,52,136
M R Kankar	1,05,064
Pacecon Engineering Projects Limited	2,64,745
Piyu Systems	2,01,138

**PART 6: MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE**

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page 204, there have been no material developments that have occurred after the Last Balance Sheet Date.



## **GOVERNMENT AND OTHER APPROVALS**

*We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business (as applicable on date of this Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.*

*In view of the approvals listed below, we can undertake this issue and our current/proposed business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to be undertaken in respect of the issue or to continue our business activities. It must be distinctly understood that, in granting these approvals, the Government of India does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus.*

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

### **A. APPROVALS FOR THE ISSUE**

1. The Board of Directors have, pursuant to Section 62(1)(c) of the Companies Act 2013, by a resolution passed at its meeting held on June 08, 2016 authorized the Issue, subject to the approval of the shareholders and such other authorities as may be necessary.
2. The shareholders of our Company have, pursuant Section 62(1)(c) of the Companies Act 2013, by a special resolution passed in the extra ordinary general meeting held on June 13, 2016 authorized the Issue.
3. In-principle approval dated August 12, 2016 from the NSE for listing of the Equity Shares issued by our Company pursuant to the Issue.
4. A copy of resolution passed at the meeting of Board of Directors held on June 29, 2016 for approving Draft Prospectus and September 22, 2016 for approving Final Prospectus

### **B. Incorporation related Approvals:**

S.No	Nature of Registration/ License	Registration/Licence No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Certificate of Incorporation Incorporated as Private Limited Company	CIN No. U55000MH2000P TC128084	Companies Act, 1956	Registrar of Companies, Maharashtra, Mumbai	August 03, 2000	Valid till cancelled
2.	Fresh Certificate of Incorporation consequent upon conversion of company	CIN No. U55000MH2000P LC128084	Companies Act, 2013	Registrar of Companies, Maharashtra, Mumbai	June 07, 2016	Valid till cancelled



**C. Taxation Related Approvals:**

S.No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Permanent Account Number (PAN)	AAECA628 9N	Income Tax Act 1961	Commissioner of Income Tax	Since Incorporation	Valid till cancelled
2.	Central Excise Registration Certificate	AAECA628 9NXM001	Rule 9 of central Excise Rules, 2002	Assistant Commissioner of Central Excise, Division VII, Pune	December 7, 2006	Valid till cancelled
3.	TAN (Tax Deduction Account Number)	NSKA0393 6C	Income Tax Department	Income Tax Act 1967	March 22, 2007	Valid till cancelled
4.	Central Sales Tax Registration Certificate	2795054218 9C	The Central Sales Tax (Registration and Turnover), 1957	Sales Tax Officer, Pune	December 22, 2005	Valid till cancelled
5.	Maharashtra Value Added Tax Registration Certificate	2795054218 9V	The Maharashtra Value Added Tax, 2002	Sales Tax Officer, Pune	December 22, 2005	Valid till cancelled
6.	Service Tax Registration (Taxable Services: Transport of goods by Road)	AAECA628 9NST001	The Finance Act, 1994	Superintendent, Central Excise Officer, Central Excise Pune – III	January 24, 2007	Valid till cancelled
7.	Maharashtra State Tax on Professions, Trade, Callings and Employment registration	PT/R/2/2/13 /6305	The Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975.	Profession Tax Office (2) Pune City, Pune	November 17, 2006	Valid till cancelled

**D. Labour Related Approvals:**

S.No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
1.	Registration under Employees' Provident Funds *	MH/PN/312 75/ENF- 1/773	Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Assistant PF Commissioner CIR- II, Compliance	February 02, 1995	Valid till cancelled

\* The Registration under Employees' Provident Funds was transferred by M/s Ashok Alco-chem Limited on purchase of distillery in the year 2005 and further our company has applied for change in name of Registration.

**E. Technical Approvals:**

S.No	Nature of Registration/ License	Registration/ License No.	Applicable Laws	Issuing Authority	Date of issue	Date of Expiry
2.	Certificate for verification of Standard of Weights and Measures	391	Legal & Metrology Act	Legal Metrology Officer, Indapur	March 18, 2016	March 18, 2017



				Division, Pune		
3.	Acknowledgement Memorandum for the Manufacture of Industrial Alcohol Rectified Spirit, Undenatured Ethyl Alcohol, Ethanol Undenatured Ethyl Alcohol, Extra Natural Alcohol Undenatured Ethyl Alcohol, Fusel Oil	1504/SIA/I MO/2006	Ministry of Commerce & Industry Secretariat for Industrial Assistance Public Relation & Compliant Section	Superintending Industries Officer (Licensing) Directorate of Industries	March 27, 2006	Valid till cancelled
4.	Acknowledgement Memorandum for the Manufacture of Acetic Acid, Acetic Anhydride, Ethyl Acetate, Bio Compost, carbondioxide	1512/SIA/I MO/2006	Ministry of Commerce & Industry Secretariat for Industrial Assistance Public Relation & Compliant Section	Superintending Industries Officer (Licensing) Directorate of Industries	March 27, 2006	Valid till cancelled
5.	<b>Factory Licence</b> (License for setting up and operating Factory)	64652/ASI/2(M)(i)1101 1 License No. - 100680	The Factories Act, 1948	Chief Inspector of Factories, Maharashtra State, Bombay	April 01, 2016	March 31, 2017
6.	<b>Licence for Denaturation</b> of Indian made rectified spirit including absolute alcohol under bond, and for the sale of denatured spirit from the warehouse.	DS-9/93	The Bombay Prohibition Act, 1949	Director of Prohibition & Excise, Maharashtra State, Bombay.	March 22, 1960, Renewal from April 01, 2016	Renewed till March 31, 2017
7.	Licence for possession of molasses to persons other than Producers of molasses.	27/86-87	The Bombay Prohibition Act, 1949	Collector of Pune	March 31, 1987; Renewal from April 01, 2016	Renewed upto March 31, 2017
8.	Consent to establish under Water (Prevention & Control of Pollution) Act, Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundry movement) Rules 2008	Consent No. BO/JD (WPC)/EIC NoPN-16422-13/E/CC-4989	Under section 25 of the Water (Prevention & Control of Pollution) Act, 1974 & Under section 21 of the Air (Prevention & Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundry movement) Rules 2008	Maharashtra Pollution Control Board	June 06, 2013	Period upto: Commissioning of the unit or EC validity period whichever is earlier.
9.	Consent to operate under Water (Prevention & Control of Pollution) Act, Air (Prevention & Control of Pollution)	Consent No. BO/JD (WPC)/EIC -PN-13941-12/O/CC-83	Under section 26 of the Water(Prevention & Control of Pollution) Act, 1974 & Under section 21 of the Air (Prevention &	Maharashtra Pollution Control Board	July 13, 2012	December 31, 2016





	Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008.		Control of Pollution) Act, 1981 and Authorisation / Renewal of Authorisation under Rule 5 of the Hazardous Wastes (Management, handling & Transboundary movement) Rules 2008			
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**F. Intellectual Property Rights:**


**APPROVAL/LICENSES /PERMISSIONS APPLIED FOR OR RENEWD**

In addition to the above, following are the licenses/approvals/registrations that our company has applied or renew but not procured as on date of this Prospectus:-

S.No.	Nature of Registration/License	Applicable Laws	Date of Application	Issuing Authority
1.	Certificate of Registration (Amendment)	Maharashtra Contract Labour (regulation and abolition) Rule 1971	November 04, 2015	Asst. Labour Commissioner, Pune



## **OTHER REGULATORY AND STATUTORY DISCLOSURES**

### **Authority for the Issue**

The Board of Directors, pursuant to a resolution passed at their meeting held on June 08, 2016 authorized the Issue, subject to the approval of the shareholders of our Company under Section 62(1) (c) of the Companies Act, 2013, and such other authorities as may be necessary.

The shareholders of our Company have, pursuant to a special resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting held on June 13, 2016 authorized the Issue.

Our Company has obtained in-principle approval from the SME Platform of NSE for using its name in the Draft Prospectus/Prospectus pursuant to an approval letter dated August 12, 2016 NSE is the Designated Stock Exchange.

### **Prohibition by SEBI or other Governmental Authorities**

We confirm that there is no prohibition on our Company, our Promoter, our Promoters Group, our Directors, our Group Companies / Entities or the natural person(s) in control of our Company from accessing or operating in the Capital Markets or restrained from buying, selling or dealing in securities under any order or direction passed by the Board (SEBI) or any other authorities.

The listing of any securities of our Company has never been refused by any of the Stock Exchanges in India.

Neither of our Promoter, Promoter Group, Directors or the person(s) in control of our Company, has ever been part of Promoter, Promoter Group, Directors or the person(s) in control of any other Company which is debarred from accessing the capital market under any order or directions made by the Board (SEBI) or any other regulatory or governmental authority.

None of our Directors are in any manner associated with the securities market and there has been no action taken by SEBI against our Directors or any entity in which our Directors are involved as Promoters or Directors.

### **Association with Securities Market**

None of our Directors are associated with the securities market and there has been no action taken by the SEBI against the Directors or any other entity with which our Directors are associated as promoters or directors.

### **Prohibition by RBI**

Neither our Company, our Promoter, our Directors, Group Entities, relatives (as per Companies Act, 2013) of Promoter or the person(s) in control of our Company have been identified as a will full defaulter by the RBI or other governmental authority and there has been no violation of any securities law committed by any of them in the past and no such proceedings are pending against any of them except as details provided in the chapter ***“Outstanding Litigations and Material Development”*** beginning on page 217 of the Prospectus.

### **Eligibility for the Issue**

Our Company is eligible in terms of Regulations 4(2) of SEBI ICDR Regulations for this Issue.

Our Company is an “Unlisted 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 106(M) (1) and other provisions of Chapter XB of the SEBI (ICDR) Regulations, as we are an Issuer whose post issue paid up capital is less than ₹ 10 crore and we may hence issue Equity Shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (in this case being the ***“SME Platform of NSE”***).



We confirm that:

1. In accordance with Regulation 106(P) of the SEBI (ICDR) Regulations, this issue is 100% underwritten and that the LM to the Issue Shall underwrites minimum 15% of the Total Issue Size. For further details pertaining to said underwriting please refer to section titled **"General Information – Underwriting"** beginning on page 50 of this Prospectus.
2. In accordance with Regulation 106(R) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue shall be greater than or equal to fifty (50), otherwise, the entire application money will be unblocked forthwith. If such money is not repaid within fifteen (15) 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 fifteen (15) Working Days, be liable to repay such application money, with an interest at the rate as prescribed under the Companies Act 2013.
3. In accordance with Regulation 106(O) the SEBI (ICDR) Regulations, we have not filed any of this Offer Document with SEBI nor has SEBI issued any observations on our Offer Document. Also, we shall ensure that our Lead Manager submits a copy of the Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
4. In accordance with Regulation 106(V) of the SEBI (ICDR) Regulations, we hereby confirm that we have entered into an agreement with the Lead Manager and a Market Maker to ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of Equity Shares on the SME Platform of NSE. 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 51 of this Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an issue under Chapter XB of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

As per Regulation 106(M)(3) of SEBI (ICDR) Regulations, the provisions of Regulations 6(1), 6(2), 6(3), Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and sub-regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to us in this Issue.

**1. Our Company has Net Tangible Assets of at least ₹ 1 Crore as per the latest audited financial results (as restated).**

As on March 31, 2016 the Company has **Net Tangible Assets\*** of ₹ 1830.27 Lacs which satisfies the criteria of having Net Tangible Assets of at least ₹ 1.00 Crore.

*\*Net tangible assets are defined as the sum of all net assets of the Company, excluding intangible assets and Net Deferred Tax as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India*

**2. The Net worth (excluding revaluation reserves) of the Company is at least ₹ 1 Crore as per the latest audited financial results**

As on March 31, 2016, the Company had Net Worth of ₹ 1526.26 Lacs as per the latest audited financial results

*\*Net worth includes Equity Share Capital and Reserves (excluding revaluation reserves, Miscellaneous Expenditure not written off, if any & Debit Balance of Profit and Loss Account not written off, if any)*

**3. Track record of distributable profits in terms of section 123 of Companies Act, 2013 for at least two years out of immediately preceding three financial years and each financial year has to be a period of at least 12 months. Extraordinary income will not be considered for the purpose of calculating distributable profits. Otherwise, the Net Worth shall be at least ₹ 3 Crores.**



## Aurangabad Distillery Limited

The Company's distributable profits in terms of sec. 123 of Companies Act, 2013 (as restated) in last three financial years are detailed below:

(Amount in Rs.)

Particulars	For F.Y. 2015-16	For F.Y. 2014-15	For F.Y. 2013-14
Net Profit (as restated)	573.88	(245.17)	159.61

5. Our Company shall mandatorily facilitate trading in demat securities and will enter into an agreement with both the depositories. The Company has entered into an agreement for registration with the Central Depository Services Limited (CDSL) dated August 02, 2016 and National Securities Depository Limited dated August 11, 2016 for establishing connectivity
6. Our Company has a website i.e. [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)
7. Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
8. 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.
9. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against the applicant company.
10. 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 above requirements / conditions so as to be eligible to be listed on the SME Platform of the NSE (NSE EMERGE)

### Compliance with Part A of Schedule VIII of the SEBI (ICDR) Regulations

Our Company is in compliance with the provisions specified in Part A of the SEBI (ICDR) Regulations. No exemption from eligibility norms has been sought under Regulation 109 of the SEBI (ICDR) Regulations, with respect to the Issue. Further, our Company has not been formed by the conversion of a partnership firm into a company.

### DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MERCHANT BANKER, 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, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER, 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 MERCHANT BANKER HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 22, 2016 WHICH READS AS FOLLOWS:**



**WE, THE UNDER NOTED LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE STATE AND CONFIRM AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE PROSPECTUS PERTAINING TO THE SAID ISSUE**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:**
  - A. THE PROSPECTUS FILED WITH THE BOARD IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**
  - B. ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE BOARD, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**
  - C. THE DISCLOSURES MADE IN THE PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, APPLICABLE PROVISIONS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**
- 3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE PROSPECTUS ARE REGISTERED WITH THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.**
- 4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS.**
- 5. WE CERTIFY THAT WRITTEN CONSENT FROM PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE PROSPECTUS WITH THE BOARD TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE PROSPECTUS.**
- 6. WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE PROSPECTUS.**
- 7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED**



**COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE**

- 8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE ‘MAIN OBJECTS’ LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**
- 9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE**
- 10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. - NOT APPLICABLE AS INTERMS OF THE PROVISIONS OF SECTION 29 OF THE COMPANIES ACT, 2013 A PUBLIC OFFER SHALL BE IN DEMATERIALIZED FORM ONLY.**
- 11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**
- 12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE PROSPECTUS:**
  - A. AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER AND**
  - B. AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**
- 13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE. – NOTED FOR COMPLAINTS**
- 14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE, ETC.**
- 15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.**
- 16. WE ENCLOSE STATEMENT ON ‘PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKER BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)’, AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR NO. CIR/CFD/DIL/7/2015 DATED OCTOBER 30, 2015.**
- 17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS-TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS**



**REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD-18 IN THE FINANCIAL INFORMATION OF THE COMPANY INCLUDED IN THE PROSPECTUS.**

**ADDITIONAL CONFIRMATIONS/ CERTIFICATION TO BE GIVEN BY MERCHANT BANKER IN DUE DILIGENCE CERTIFICATE TO BE GIVEN ALONG WITH OFFER DOCUMENT REGARDING SME EXCHANGE**

- 1. WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE PROSPECTUS HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
- 2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN PROSPECTUS AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUER OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED SECURITIES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN.**
- 3. WE CONFIRM THAT THE ABRIDGED PROSPECTUS CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009**
- 4. WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE SPECIFIED SECURITIES OF THE ISSUER**
- 5. WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISIO TO SUB-REGULATION (4) OF REGULATION 32 OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009; CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE PROSPECTUS. - NOT APPLICABLE**
- 6. WE CONFIRM THAT UNDERWRITING AND MARKET MAKING ARRANGEMENTS AS PER REQUIREMENTS OF REGULATION 106P AND 106V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE.**

***Note:***

*The filing of this 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, Maharashtra, Mumbai 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.	Issue name	Issue size (Rs in Cr.)	Issue Price (Rs.)	Listing date	Open ing Price on listin g date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 <sup>th</sup> calendar days from listing
1.	Junction Fabrics and Apparels Ltd	1.60	16.00	July 10, 2015	17.50	14.06% [-0.54%]	3.125% [-7.39%]	3.125% [-7.52%]
2.	Loyal Equipments Ltd.	3.24	18.00	July 16, 2015	20.05	5.56% [-3.28%]	-9.72 [-5.42%]	8.06% [-12.73%]
3.	Emkay Taps and Cutting Tools Limited	15.55	330.00	August 13, 2015	334.00	-1.21% [-5.79%]	-1.51% [6.35%]	0% [-9.48%]
4.	Universal Autofoundry Limited	3.24	15.00	September 04, 2015	16.00	5% [7.28%]	73.33% [3.74%]	100% [-1.50%]
5.	Bella Casa Fashion & Retail Limited	3.43	14.00	October 15, 2015	14.30	72.85% [-5.18%]	86.43% [-8.62%]	64.29% [-8.17%]
6.	Vishal Bearing Limited	3.24	25.00	October 15, 2015	26.00	22.00% [-4.69%]	16.40% [-8.62%]	16% [8.17%]
7.	Cawasji Behramji Catering Services Limited	1.862	14.00	October 19, 2015	15.25	103.57% [-5.48%]	142.86% [-11.61%]	125% [-9.82%]
8.	Raghav Ramming Mass Limited	7.48	39.00	April 13, 2016	41.00	3.85% [0.64%]	NA	NA
9.	Advance Syntex Limited	2.52	12.00	July 12, 2016	13.25	0.00% [1.24%]	NA	NA
10.	Madhya Bharat Agro Products Ltd	13.89	24.00	Sept 12, 2016	27.00	NA	NA	NA

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:**

Financ ial Year	Total no. of IPO s	Total amount of funds raised (Rs. Cr.)	No. of IPOs trading at discount- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50 %	Betw een 25- 50 %	Less than 25 %	Over 50 %	Betw een 25- 50 %	Less than 25 %	Over 50 %	Betw een 25- 50 %	Less than 25 %	Over 50 %	Betw een 25- 50 %	Less than 25 %
2013-14	3 <sup>(1)</sup>	10.66	-	-	1	1	1	-	-	-	-	2	-	1
2014-15	7 <sup>(2)</sup>	38.25	-	-	-	2	-	5	-	-	-	3	-	4
2015-	8 <sup>(3)</sup>	34.20	-	-	1	2	2	3	-	-	-	3	1	4



## Aurangabad Distillery Limited

16														
2016-17	3 <sup>(4)</sup>	23.89	-	-	-	-	-	2	-	-	-	-	-	-

(1) The scrips of Samruddhi Realty Limited, Captain Polyplast Limited and Tentiwal Wire Products Limited were listed on April 12, 2013, December 11, 2013 and December 31, 2013 respectively.

(2) The scrips of R&B Denims Limited, Bansal Roofing Products Limited, Atishay Infotech Limited, Dhabriya Polywood Limited, Vibrant Global Capital Limited, ADCC Infocad Limited and Captain Pipes Limited were listed on April 22, 2014, July 14, 2014, October 16, 2014, October 17, 2014, October 21, 2014, October 22, 2014, and December 11, 2014 respectively.

(3) The scrips of O.P. Chains Limited, Junction Fabrics and Apparels Limited, Loyal Equipments Limited, Emkay Taps & Cutting Tools Limited, Universal Autofoundry Limited, Bella Casa Fashion and Retail Limited, Vishal Bearings Limited and Cawasji Behramji Catering Services Limited were listed on April 22, 2015, July 10, 2015, July 16, 2015, August 13, 2015, September 4, 2015, October 15, 2015, October 15, 2015 and October 19, 2015 respectively. (4) The scrips of Raghav Ramming Mass Limited and Advance Syntex Limited were listed on April 13, 2016 and July 12, 2016 respectively. Further Raghav Ramming Mass Limited has not completed its 180 days from the listing date and Advance Syntex Limited has not completed its 90 days and 180 days from the listing date. Also Madhya Bharat Agro Products Limited is listed on NSE EMERGE on September 12, 2016, hence it has not completed 30th, 90th and 180th day from listing.

### Note:

- Based on date of listing.
- BSE SENSEX and CNX NIFTY has been considered as the benchmark index.
- Prices on BSE/NSE are considered for all of the above calculations.
- 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.
- 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.
- N.A. - Period not completed.
- 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, its Directors and the Lead Manager accept no responsibility for statements made otherwise than those contained in this Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The LM accept no responsibility, save to the limited extent as provided in the MOU entered between the LM (Hem securities Limited) and our Company on June 28, 2016 and the Underwriting Agreement dated June 28, 2016 and addendum dated September 16, 2016 entered into between the Underwriters and our Company and the Market Making Agreement dated June 28, 2016 and addendum dated September 16, 2016 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 Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.



## **Note**

Investors who apply in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares in the Issue.

## **Disclaimer in Respect of Jurisdiction**

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, VCFs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with a minimum corpus of ₹ 2,500.00 Lakhs and pension funds with a minimum corpus of ₹ 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 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 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 Jaipur, Rajasthan, 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 Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

## **Disclaimer Clause of the SME Platform of NSE**

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 August 12, 2016 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 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**

The Equity Shares have not been, and will not be, registered under the U.S. Securities Act 1933, as amended (the "Securities



Act") or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold outside the United States in compliance with Regulation S of the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

### **Filing**

The Prospectus is being filed with National Stock Exchange of India Limited, Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra ( East), Mumbai-400051, Maharashtra

A copy of this Prospectus shall not be filed with the SEBI, nor will SEBI issue any observation on the Prospectus in term of Regulation 106(M) (3) of the SEBI (ICDR) Regulations. However, a copy of the Prospectus shall be filed with SEBI at the Corporation Finance Department, SEBI Bhavan, Plot No. C 4-A, G- Block, 3<sup>rd</sup> Floor, Bandra Kurla Complex, Bandra (E), Mumbai-400051, India for their record purpose only.

A copy of the Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the Registrar of Companies, 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 approval from NSE by way of its letter dated August 12, 2016 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, without interest, 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 SME Platform of NSE mentioned above are taken within Six (6) Working Days of the Issue Closing Date. If Equity Shares are not Allotted pursuant to the Offer within Six (6) Working Days from the Issue Closing Date or within such timeline as prescribed by the SEBI, our Company shall repay with interest all monies received from applicants, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period. Subject to applicable law.

### **Impersonation**

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

Any person who-

- a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other



person in a fictitious name,

Shall be liable to action under section 447 of the Companies, Act 2013

### Consents

Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor, Key Managerial Personnel, Our Peer Review Auditor, Our Banker(s) to the Company; (b) Lead Manager, Registrar to the Issue, Banker(s) to the Issue, Legal Advisor to the Issue, Underwriter(s) to the Issue and Market Maker to the Issue to act in their respective capacities have been obtained as required as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI (ICDR) Regulations, M/s Natesh and Associates., Chartered Accountants, Statutory Auditor and M/s. S.S. Rathi & Co., Peer Review Auditors 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 the 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 this Prospectus.

### Experts Opinion

Except for the reports in the section “*Financial information of the Company*” and “*Statement of Tax Benefits*” on page 166 and page 83 of this Prospectus from the Peer Review Auditors and Statutory Auditor respectively, our Company has not obtained any expert opinions. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act 1933.

### Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. 40 Lacs, which is 5.19 % of the Issue size. The estimated Issue related expenses include Issue Management Fee, underwriting and management fees SCSB's commission/ Selling commission, fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. All expenses with respect to the Issue would be paid by our company.

The Estimated Issue expenses are as under:-

No.	Particulars	Amount (₹ in Lacs)	Percentage of Total Estimated Issue Expenditure (%)	Percentage of Issue Size (%)
1.	Payment to Merchant Banker including, underwriting and selling commissions, brokerages, payment to other intermediaries such as Legal Advisors, Bankers etc and other out of pocket expenses	33.00	82.50%	4.29%
2.	Printing and Stationery and postage expenses, Advertising and Marketing expenses	2.00	5.00%	0.26%
3.	Advertising and Marketing expenses	2.00	5.00%	0.26%
4.	Regulatory fees and expenses	3.00	7.50%	0.38%
	<b>Total estimated Issue Expenses</b>	<b>40.00</b>	<b>100%</b>	<b>5.19%</b>

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

### Fees, Brokerage and Selling Commission payable to the LM

The total fees payable to the Lead Manager will be as per the (i) Memorandum of Understanding dated June 28, 2016 with the Lead Manager Hem Securities Limited, (ii) the Underwriting Agreement dated June 28, 2016 and addendum dated September 16, 2016 with Underwriter Hem Securities Limited and (iii) the Market Making Agreement dated June 28, 2016 and addendum



dated September 16, 2016 with Market Maker Hem Finlease Private Limited, a copy of which is available for inspection at our Registered Office from 10.00 am to 5.00 pm on Working Days from the date of the 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 June 27, 2016 a copy of which is available for inspection at our Company's Corporate 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 make refunds in any of the modes described in this Prospectus or 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 Prospectus.

#### **Previous issues of Equity Shares otherwise than for cash**

For detailed description please refer to section titled "*Capital Structure*" beginning on page 54 of this Prospectus.

#### **Underwriting Commission, brokerage and selling commission on Previous Issues**

Since this is the initial public offering of our Company's Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing for or procuring or agreeing to procure subscription for any of the Equity Shares since our incorporation.

#### **Particulars in regard to our Company and other listed group-companies / subsidiaries/ associates under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 / Section 186 of the Companies Act, 2013 which made any capital issue during the last three years:**

Neither our Company nor any other companies under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 has made/Section 186 of the Companies Act, 2013, had made any public issue or rights issue during the last three years.

#### **Performance vis-a-vis objects – Public/right issue of our Company and /or listed Group Companies/ subsidiaries and associates of our Company**

Except as stated in the chapter titled "*Capital Structure*" beginning on page 54 of this Prospectus our Company has not undertaken any previous public or rights issue. None of the Group Companies/ Entities or associates of our Company are listed on any stock exchange.

#### **Performance vis-a-vis objects - Last Issue of Group/Associate Companies**

All of our Group / Associate are unlisted and have not made a public issue of shares.

#### **Outstanding Debentures or Bond Issues or Redeemable Preference Shares**

Our Company does not have any outstanding debentures or bonds or Preference Redeemable Shares as on the date of filing this Prospectus.

#### **Outstanding Convertible Instruments**

Our Company does not have any outstanding convertible instruments as on the date of filing this Prospectus.





### **Option to Subscribe**

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

### **Stock Market Data of the Equity Shares**

This being an initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchanges.

### **Mechanism for Redressal of Investor Grievances**

The agreement between the Registrar to the Issue and 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 Prospectus. Since there is no investor complaints received, none are pending as on the date of filing of this Prospectus.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, with a copy to the Compliance Officer and with a copy to the relevant Designated Intermediary with whom the Application Form was submitted and.

The Applicant should give full details such as name of the sole/ first Applicant, Application Form number, Applicant DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant. Further, the investor shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents or information mentioned herein above.

### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

**Our Company has appointed Mrs. Sheetal Jagetiya, 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:**

**Mrs. Sheetal Jagetiya**

**Aurangabad Distillery Limited**

UG 109, Upper Ground, Dreams Mall,

LBS Road, Bhandup (West),

Mumbai-400078, Maharashtra, India E-mail: [cs@aurangabaddistillery.com](mailto:cs@aurangabaddistillery.com)

Website: [www.aurangabaddistillery.com](http://www.aurangabaddistillery.com)

**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)

### **Status of Investor Complaints**

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this 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.

#### **Change in Auditors during the last three (3) years**

Except for appointment of M/s. S.S. Rathi & Co., Chartered Accountants, as peer review auditor in addition to the existing auditors, there have been no changes in our Company's auditors in the last three (3) years.

#### **Capitalization of Reserves or Profits**

Except as disclosed under section titled "***Capital Structure***" beginning on page 54 of this Prospectus, our Company has not capitalized its reserves or profits at any time during the last five (5) years.

#### **Revaluation of Assets**

Our Company has not revalued its assets in five (5) years preceding the date of this Prospectus.

#### **Tax Implications**

Investors who are allotted Equity Shares in the Issue will be subject to capital gains tax on any resale of the Equity Shares at applicable rates, depending on the duration for which the investors have held the Equity Shares prior to such resale and whether the Equity Shares are sold on the Stock Exchanges. For details, please refer the section titled "***Statement of Tax Benefits***" beginning on page 83 of this Prospectus.

#### **Purchase of Property**

Other than as disclosed in Section "***Our Business***" on page 104 of the Prospectus, there is no property which has been purchased or acquired or is proposed to be purchased or acquired which is to be paid for wholly or partly from the proceeds of the present Issue or the purchase or acquisition of which has not been completed on the date of the Prospectus, other than property, in respect of which:-

The contract for the purchase or acquisition was entered into in the ordinary course of business, or the contract was entered into in contemplation of the Issue, or that the Issue was contemplated in consequence of the contract; or the amount of the purchase money is not material.

Except as stated elsewhere in the Prospectus, our Company has not purchased any property in which the Promoter and/or Directors have any direct or indirect interest in any payment made there under.

#### **Servicing Behavior**

Except as stated in this Prospectus, there has been no default in payment of statutory dues or of interest or principal in respect of our borrowings or deposits.

#### **Payment or benefit to officers of Our Company**

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company or superannuation.

**Except as disclosed in chapter titled "*Our Management*" beginning on page 132 and "*Related Party Transactions*" beginning on page 194 of the Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of our Company.**



## **SECTION VII – ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2009 our Memorandum and Articles of Association, the terms of the Draft Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

#### **Authority for the Issue**

The present Public Issue of 22,00,000 Equity Shares has been authorized by a resolution of the Board of Directors of our Company at their meeting held on June 08, 2016 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra Ordinary General Meeting held on June 13, 2016 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 297 of the 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 165 of the Prospectus.

#### **Face Value and Issue Price**

The Equity Shares having a Face Value of ₹ 10.00 each are being offered in terms of the Prospectus at the price of ₹35/- per equity Share (including premium of ₹25/- per share). The Issue Price is determined by our Company in consultation with the Lead Manager and is justified under the section titled "**Basis for Issue Price**" on page 80 of the 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**

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 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 297 of the Prospectus.

### **Minimum Application Value, Market Lot and Trading Lot**

As per regulations made under and Section 29(1) of the Companies Act, 2013 the Equity Shares to be allotted must be in Dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode. Hence, the Equity Shares being offered can be applied for in the dematerialized form only.

The trading of the Equity Shares will happen in the minimum contract size of 4000 Equity Shares and the same may be modified by the SME platform of NSE from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Offer will be done in multiples of 4000 Equity Shares and is subject to a minimum allotment of 4000 Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### **Minimum Number of Allottees**

The minimum number of allottees in the Issue shall be 50 shareholders. In case the number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

### **Joint Holders**

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

### **Nomination Facility to Investor**

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:



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

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.**

#### **Period of Operation of Subscription List of Public Issue**

<b>ISSUE OPENS ON</b>	September 30, 2016
<b>ISSUE CLOSES ON</b>	October 06, 2016

#### **Minimum Subscription**

*In accordance with Regulation 106 P (1) of the SEBI (ICDR) Regulations, our Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Prospectus and shall not be restricted to the minimum subscription level.*

As per section 39 of the Companies Act 2013, if the “**stated minimum amount**” has not been subscribed and the sum payable on Bid is not received within a period of 30 days from the date of issue of Prospectus, the application money has to be returned within such period as may be prescribed.

If the issuer does not receive the subscription of 100% of the Issue through this offer document including devolvment of Underwriters within 60 (sixty) days from the date of closure of the issue, the issuer shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 (eight) days after the issuer becomes liable to pay the amount, the issuer shall pay interest prescribed under Section 39 read with Rule 11 of Companies(Prospectus and Allotment of Securities) Rules, 2014 of the Companies Act, 2013 and other applicable laws, if any.

In accordance with Regulation [106R] of SEBI ICDR Regulations, The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

*Further, in accordance with Regulation 106( R) of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 50 (Fifty)*

*Further, in accordance with Regulation 106 Q of the SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

#### **Arrangements for disposal of odd lots**

The trading of the Equity Shares will happen in the minimum contract size of 4000 shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.



### **Application by Eligible NRIs, FPIs or VCFs registered with SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

### **As per the extent Guidelines of the Government of India, OCBs cannot participate in this Issue.**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

### **Restrictions on transfer and transmission of shares or debentures and on their consolidation or splitting**

Except for lock-in of the Pre- Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “**Capital Structure**” beginning on page 54 of the Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details please refer sub-heading “**Main Provisions of the Articles of Association of the Company**” on page 297 of the Prospectus.

### **Option to receive Equity Shares in Dematerialized Form**

As per section 29(1) of the new Companies Act 2013, every company making public offer shall issue securities only in dematerialized form only. The investors have an option either to receive the security certificate or to hold the securities with depository. However, as per SEBI's circular RMB (compendium) series circular no. 2 (1999-2000) dated February 16, 2000, it has been decided by the SEBI that trading in securities of companies making an initial public offer shall be in dematerialized form only. The Equity Shares on Allotment will be traded only on the dematerialized segment of the SME Exchange.

### **Migration to Main Board**

In accordance with the NSE Circular dated March 10, 2014, our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a minimum period of 2 (Two) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter XB of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter XB of the SEBI (ICDR) Regulation, 2009, our Company may migrate to the main board of NSE from the SME Exchange on a later date subject to the following:

- If the Paid up Capital of the Company is likely to increase above ₹ 25 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 promoters 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 or
- If the Paid-Up Capital of our Company is more than ₹ 10.00 Crores and up to ₹ 25.00 Crores, our company may still apply for migration to the Main Board If our Company fulfils the eligibility criteria for listing laid down by the Main Board of NSE and if the same has been approved by a special resolution through postal ballot wherein the votes cast by



the shareholders other than the promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **Market Making**

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, 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 SMS platform of NSE. For further details of the agreement entered into between the Company, the Lead Manager and the Market Maker please refer to "**General Information - Details of the Market Making Arrangements for this Issue**" on page 51 of the Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

<b>Issue size</b>	<b>Buy quote exemption threshold (including mandatory initial inventory of 5% of issue size)</b>	<b>Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of issue size)</b>
Upto ₹ 20 Crore, as applicable in our case	25%	24%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold; thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

### **New Financial Instruments**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 our Company shall, after registering the Prospectus with the RoC publish a pre-Issue advertisement, in the form prescribed by the SEBI (ICDR) Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the Registered Office of our Company is situated.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Jaipur, Rajasthan, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**





## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 106(M) (1) of Chapter XB of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby, an issuer whose post issue paid up capital does not exceed ₹ 10 Crores, 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 247 and 254 of the Prospectus.

The Issue is being made by way of Fixed Price method.

Particulars of the Issue	Net Issue to Public*	Market Maker Reservation Portion
Number of Equity Shares available for allocation	20,88,000 Equity Shares of Face Value ₹ 10/-	1,12,000 Equity Shares of Face Value ₹ 10/-
Percentage of Issue Size available for allocation	94.91 % of the Issue Size (50% to Retail Individual Investors and the balance 50% to other investors).	5.09% of the Issue Size Firm allotment
Basis of Allotment	Proportionate subject to minimum allotment of 4000 Equity Shares and further allotment in multiples of 4000 Equity Shares each.  For further details please refer to " <b>Issue Procedure - Basis of Allotment</b> " on page 286 of this Prospectus.	Firm Allotment
Mode of Application	Through ASBA Process Only	Through ASBA Process Only
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Minimum Application Size	<b><u>For Other than Retail Individual Investors:</u></b> Such number of Equity Shares in multiples of 4000 Equity Shares at an Issue price of ₹ 35/- each, such that the Application Value exceeds ₹ 2,00,000/- <b><u>For Retail Individuals Investors:</u></b> 4000 Equity Shares at an Issue prices of ₹35/- Each	1,12,000 Equity Shares of Face Value ₹ 10/-
Maximum Application Size	<b><u>For Other than Retails 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 4000 Equity Shares such that the Application Value does not exceed ₹ 2,00,000/-.	1,12,000 Equity Shares of Face Value ₹ 10/-
Trading Lot	4000 Equity Shares	4000 Equity Shares, However the Market Makers may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2009.
Terms of Payment	The entire Application Amount will be payable at the time of submission of the Application Form.	

This Issue is being made in terms of Chapter XB of the SEBI (ICDR) Regulations, 2009, as amended from time to time. For further details please refer to "**Issue Structure**" on page 252 of the Prospectus.

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





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

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

### **Withdrawal of the Issue**

The Company, in consultation with the Lead Manager, reserves the right not to proceed with the Issue at any time before the Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The Lead Manager, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly.

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

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the final RoC approval to the Prospectus after it is filed with the RoC.

### **Issue Programme**

<b>ISSUE OPENING DATE</b>	September 30, 2016
<b>ISSUE CLOSING DATE</b>	October 06, 2016

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 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 Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form, for a particular bidder, the details as per physical application form of that Bidder 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 (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (“General Information Document”) **included below under section “-PART B – General Information Document”**, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act 2013 (to the extent notified), the Companies Act, 1956 (to the extent not repealed by the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations as amended. The General Information Document has been updated to include reference to the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, SEBI Listing Regulations 2015 and certain notified provisions of the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements)(Fifth Amendment)Regulations, 2015, there have been certain changes in the issue procedure for initial public offerings including making ASBA Process mandatory for all investors, allowing registrar, share transfer agents, collecting depository participants and stock brokers to accept application forms. Further, SEBI, by its circular No. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, reduced the time taken for listing after the closure of an issue to six working days.

**Please note that the information stated/ covered in this section may not be complete and/or accurate and as such would be subject to modification/change.** Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Draft Prospectus and the Prospectus.

This section applies to all the Applicants, please note that all the Applicants are required to make payment of the full Application Amount along with the Application Form.

**Our Company and the LM are not liable for any amendments, modifications or change in applicable laws or regulations, which may occur after the date of this Prospectus.**

## **PART A**

### **Fixed Price Issue Procedure**

The Issue is being made under Regulation 106(M) (1) of Chapter XB of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended via Fixed Price Process.

Applicants are required to submit their Applications to the Designated Intermediaries. In case of QIB Applicants, our Company in consultation with the Lead Manager may reject Applications at the time of acceptance of Application Form provided that the reasons for such rejection shall be provided to such Applicant in writing.

In case of Non-Institutional Applicants and Retail Individual Applicants, our Company would have a right to reject the Applications only on technical grounds.

Investors should note that according to section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. Applicants will not have the option of being Allotted Equity Shares in physical form. Further the Equity shares on allotment shall be trade only in the dematerialized segment of the Stock Exchange, as mandated by SEBI.



### **Application Form**

Pursuant to SEBI Circular dated November 10, 2015 and bearing Reference No. CIR/CFD/POLICYCELL/11/2015 which shall be applicable for all public issues opening on or after January 01, 2016, all the investors can apply through ASBA Mode. The prescribed colour of the Application Form for various categories applying in this issue is as follows:

Category	Colour
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

Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Prospectus. An Investor, intending to subscribe to this Issue, shall submit a completed application form to any of the following Intermediaries (Collectively called “**Designated Intermediaries**”)

Sr. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (‘broker’)
4.	A depository participant (‘DP’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an issue and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity)

*The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.*

The upload of the details in the electronic bidding system of stock exchange will be done by:

<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.

Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA Applicants.

### **Availability of Prospectus and Application Forms**

The Application Forms and copies of the Prospectus may be obtained from the Registered Office of our Company, (Lead Manager to the Issue, Registrar 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:

- FPIs and sub-accounts registered with SEBI other than Category III foreign portfolio investor;
- Category III foreign portfolio investors, which are foreign corporate or foreign individuals only under the Non
- Institutional Investors category;
- Scientific and / or industrial research organizations authorized in India to invest in the Equity Shares.
- Any other persons eligible to apply in this Issue under the laws, rules, regulations, guidelines and policies applicable to them.

### **MAXIMUM AND MINIMUM APPLICATION SIZE**

#### **1. For Retail Individual Applicants**

The Application must be for a minimum of 4000 Equity Shares and in multiples of 4000 Equity Shares thereafter, so as to ensure that the Application Price payable by the Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 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 ₹ 2,00,000 and in multiples of 4000 Equity Shares thereafter. An Application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than ₹ 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 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 Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

### **Participation by Associates /Affiliates of LM and the Syndicate Members**

The LM, Market Maker and the Underwriter, if any shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting and market making obligations. However, associates/affiliates of the LM and Syndicate Members, if any may subscribe for Equity Shares in the Issue, either in the QIB Category or in the Non- Institutional Category as may be applicable to the Applicants, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

### **Option to Subscribe in the Issue**

- a. As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.



- b. The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c. A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

**Information for the Applicants:**

1. Our Company and the Lead Managers shall declare the Issue Opening Date and Issue Closing Date in the Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.
2. Our Company will file the Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.
3. Copies of the Application Form along with Abridge Prospectus and copies of the Prospectus will be available with the, the Lead Managers, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Application Forms will also be available on the websites of the Stock Exchange.
4. Any applicant who would like to obtain the 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.
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 persons resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Applicants.
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/ FPI's on Repatriation Basis**

Application Forms have been made available for eligible NRIs at our registered office.

Eligible NRIs applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment under reserved category. The Eligible NRIs who intend to get the amount blocked in the Non Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians and shall not use the forms meant for reserved category.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated 03/05/2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis.

Allotment of Equity shares to Non-Resident Indians shall be subject to the prevailing Reserve Bank of India Guidelines. Sale proceeds of such investments in Equity shares will be allowed to be repatriated along with the income thereon subject to the permission of the RBI and subject to the Indian Tax Laws and regulations and any other applicable laws.

**As Per The Current Regulations, The Following Restrictions Are Applicable For Investments By FPIs.**

1. A foreign portfolio investor shall invest only in the following securities, namely- (a) Securities in the primary and secondary markets including shares, debentures and warrants of companies, listed or to be listed on a recognized stock exchange in India; (b) Units of schemes floated by a domestic mutual funds, whether listed on a recognized stock exchange or not; (c) Units of Schemes floated by a collective investment scheme; (d) Derivatives traded on a recognized Stock Exchange; (e) Treasury bills and dated government securities; (f) Commercial papers issued by an Indian Company; (g) Rupee denominated credit enhanced bonds; (h) Security receipts issued by asset reconstruction companies; (i) Perpetual debt instruments and debt capital instruments, as specified by the Reserve Bank of India from time to time; (j) Listed and unlisted non-convertible debentures/bonds issued by an Indian company in the infrastructure sector, where 'infrastructure' is defined in terms of the extant External Commercial Borrowings (ECB) guidelines; (k) Non-Convertible debentures or bonds issued by Non – Banking Financial Companies categorized as 'Infrastructure Finance Companies' (IFC) by the Reserve Bank of India; (l) Rupee denominated bonds or units issued by infrastructure debt funds; (m) Indian depository receipts; and (n) Such other instruments specified by the Board from time to time.
2. Where a foreign institutional investor or a sub account, prior to commencement of SEBI (Foreign Portfolio Investors) Regulations, 2014, hold equity shares in a company whose shares are not listed on any recognized stock exchange, and continues to hold such shares after Initial Public Offering and listing thereof, such shares shall be subject to lock-in for the same period, if any, as is applicable to shares held by a foreign direct investor placed in similar position, under the policy of the Government of India relating to foreign direct investment from the time being in force.
3. In respect of investments in the secondary market, the following additional conditions shall apply:
  - a) A foreign portfolio investor shall transact in the securities in India only on the basis of taking and giving delivery of securities purchased or sold;
  - b) Nothing contained in clause (a) shall apply to:





- ❖ Any transactions in derivatives on a recognized stock exchange;
  - ❖ Short selling transactions in accordance with the framework specified by the Board;
  - ❖ Any transaction in securities pursuant to an agreement entered into with the merchant banker in the process of market making or subscribing to unsubscribed portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
  - ❖ Any other transaction specified by the Board.
- c) No transaction on the stock exchange shall be carried forward;
  - d) The transaction of business in securities by a foreign portfolio investor shall be only through stock brokers registered by the Board; provided nothing contained in this clause shall apply to;
    - i. transactions in Government securities and such other securities falling under the purview of the Reserve Bank of India which shall be carried out in the manner specified by the Reserve Bank of India;
    - ii. Sale of securities in response to a letter of offer sent by an acquirer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - iii. Sale of securities in response to an offer made by any promoter or acquirer in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - iv. Sale of securities, in accordance with the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
    - v. divestment of securities in response to an offer by Indian Companies in accordance with Operative Guidelines of Disinvestment of shares of Indian Companies in the overseas market through issue of American Depository Receipts or Global Depository Receipts as notified by the Government of India and directions issued by Reserve Bank of India from time to time;
    - vi. Any bid for, or acquisition of, securities in response to an offer for disinvestment of shares made by the Central Government or any State Government;
    - vii. Any transaction in securities pursuant to an agreement entered into with merchant banker in the process of market making portion of the issue in accordance with Chapter XB of the Securities and Exchange Board of India ( Issue of Capital and Disclosure Requirements) Regulations, 2009;
    - viii. Any other transaction specified by Board.
  - e) A foreign portfolio investor shall hold, deliver or cause to be delivered securities only in dematerialized form: Provided that any shares held in non-dematerialized form, before the commencement of these regulation, can be held in non-dematerialized form, if such shares cannot be dematerialized.
- 4. Unless otherwise approved by the Board, securities shall be registered in the name of the foreign portfolio investor as a beneficial owner for the purposes of the Depositories Act, 1996.
  - 5. The purchase of Equity Shares of each company by a single foreign portfolio investor or an investor group shall be below ten percent of the total issued capital of the company.
  - 6. The investment by the foreign portfolio investor shall also be subject to such other conditions and restrictions as may be specified by the Government of India from time to time.
  - 7. In cases where the Government of India enters into agreements or treaties with other sovereign Governments and where such agreements or treaties specifically recognize certain entities to be distinct and separate, the Board may, during the validity of such agreements or treaties, recognize them as such, subject to conditions as may be specified by it.
  - 8. A foreign portfolio investor may lend or borrow securities in accordance with the framework specified by the Board in this regard.

No foreign portfolio investor may issue, subscribe to or otherwise deal in offshore derivative instruments, directly or indirectly, unless the following conditions are satisfied:

- a) Such offshore derivative instruments are issued only to persons who are regulated by an appropriate foreign regulatory authority





- b) Such offshore derivatives instruments are issued after compliance with 'know your client' norms:

Provided that those unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated shall not issue, subscribe or otherwise deal, in offshore derivatives instruments directly or indirectly.

Provided further that no Category III foreign portfolio investor shall issue, subscribe to or otherwise deal in offshore derivatives instruments directly or indirectly.

A foreign portfolio investor shall ensure that further issue or transfer of any offshore derivative instruments issued by or on behalf of it is made only to persons who are regulated by an appropriate foreign regulatory authority.

Foreign portfolio investors shall fully disclose to the Board any information concerning the terms of and parties to off-shore derivative instruments such as participatory notes, equity linked notes or any other such instruments, by whatever names they are called, entered into by it relating to any securities listed or proposed to be listed in any stock exchange in India, as and when and in such form as the Board may specify.

Any offshore derivative instruments issued under the Securities and Exchange Board of India of India (Foreign Institutional Investors) Regulations, 1995 before commencement of SEBI (Foreign Portfolio Investors) Regulation, 2014 shall be deemed to have been issued under the corresponding provision of SEBI (Foreign Portfolio Investors) Regulation, 2014.

The purchase of equity shares of each company by a single foreign portfolio investor or an investor group shall be below 10 per cent of the total issued capital of the company.

An FII or its subaccount which holds a valid certificate of registration shall, subject to the payment of conversion fees, be eligible to continue to buy, sell or otherwise deal in securities till the expiry of its registration as a foreign institutional investor or sub-account, or until he obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

Qualified foreign investor may continue to buy, sell or otherwise deal in securities subject to the provision of SEBI (Foreign Portfolio Investors) Regulation, 2014, for a period of one year from the date of commencement of aforesaid regulations, or until it obtains a certificate of registration as foreign portfolio investor, whichever is earlier.

### **Application by Mutual Funds**

As per the current regulations, the following restrictions are applicable for investments by Mutual fund:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.



### **Applications by Limited Liability Partnerships**

In case of Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the LLP Act, 2008 must be attached to the Application Form. Failing this, our Company reserves the right to reject any Application without assigning any reason thereof.

### **Applications by Insurance Companies**

In case of applications made by insurance companies registered with IRDA, certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company in consultation with the LM, reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment Scheme) (5th Amendment) Regulations, 2010, as amended (the “IRDA Investment Regulations”), are broadly set forth below:

- (a) Equity shares of a company: The lesser of 10% of the investee company’s subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) The entire group of the investee company: at least 10% of the respective fund in case of a life insurer or 10% of investment assets in case of general insurer or reinsurer (25% in case of Unit Linked Insurance Plans); and
- (c) The industry sector in which the investee company operates: 10% of the insurer’s total investment exposure to the industry sector (25% in case of Unit Linked Insurance Plans).

### **Applications under Power of Attorney**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPI’s, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

With respect to the applications by VCFs, FVCIs and FPIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may belong with a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made pursuant to a power of attorney by Mutual Funds, a certified copy of the power of attorney or the relevant resolutions or authority, as the case may be, along with the certified copy of their SEBI registration certificate must be submitted along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by the IRDA must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefore.

In the case of Applications made by to the power of attorney by FIIs, a certified copy of the power of attorney the relevant resolution or authority, as the case may be along with the certified copy of SEBI registration certificate must be lodged with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

In the case of Applications made by provident funds, subject to applicable law, with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, the Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.



### **Application by Provident Funds/Pension Funds**

In case of Applications made by provident funds with minimum corpus of Rs. 2,500 lakhs (subject to applicable law) and pension funds with minimum corpus of Rs. 2,500 lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of filing of this 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 Prospectus.

### **Method and Process of Applications**

1. The Designated Intermediaries shall accept applications from the Applicants during the Issue Period.
2. The Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Issue Period may be extended, if required, by an additional three Working Days, subject to the total Issue Period not exceeding 10 Working Days.
3. During the Issue Period, Applicants who are interested in subscribing to the Equity Shares should approach the Designated Intermediaries to register their applications.
4. The Applicant cannot apply on another Application Form after applications on one Application Form have been submitted to the Designated Intermediaries. Submission of a second Application form to either the same or to another Designated Intermediaries will be treated as multiple applications and is liable to be rejected either before entering the application into the electronic collecting system or at any point prior to the allocation or Allotment of Equity Shares in this Issue.
5. Designated Intermediaries accepting the application forms shall be responsible for uploading the application along with other relevant details in application forms on the electronic bidding system of stock exchange and submitting the form to SCSBs for blocking of funds (except in case of SCSBs, where blocking of funds will be done by respective SCSBs only). All applications shall be stamped and thereby acknowledged by the Designated Intermediaries at the time of receipt.
6. The Designated Intermediaries will enter each application option into the electronic collecting system as a separate application and generate a TRS and give the same to the applicant.
7. Upon receipt of the Application Form, submitted whether in physical or electronic mode, the Designated Intermediaries shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form, prior to uploading such applications with the Stock Exchange.
8. If sufficient funds are not available in the ASBA Account, the Designated Intermediaries shall reject such applications and shall not upload such applications with the Stock Exchange.
9. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form and will enter each application option into the electronic collecting system as a separate application and generate a TRS for each price and demand option. The TRS shall be furnished to the Applicant on request.
10. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdraw/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable



to the successful Applicants to the Public Issue Account. In case of withdrawal/ failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Terms of payment**

The entire Issue price of Rs. 35/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Applicants.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The applicants should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Applicants.

### **Payment mechanism**

The applicants shall specify the bank account number in their Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However Non Retail Applicants shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Application Form or for unsuccessful Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Applicant, as the case may be.

*Please note that pursuant to SEBI circular CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 investors in the public issue can only invest through ASBA Mode.*

### **Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.
2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,
  - (i) the applications accepted by them,
  - (ii) the applications uploaded by them
  - (iii) the applications accepted but not uploaded by them or
  - (iv) with respect to applications by Applicants, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Application form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the Lead Managers nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
  - (i) The applications accepted by any Designated Intermediaries
  - (ii) The applications uploaded by any Designated Intermediaries or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available



at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Lead Manager on a regular basis.

6. With respect to applications by Applicants, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Applicants, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Applicants into 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 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 Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
14. The SCSBs shall be given one day after the Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

#### **Allocation of Equity shares**

- 1) The Issue is being made through the Fixed Price Process wherein 1,12,000 Equity Shares shall be reserved for Market Maker. 10,44,000 Equity shares will be allocated on a proportionate basis to Retail Individual Applicants, subject to valid applications being received from Retail Individual Applicants at the Issue Price. The balance of the Net Issue will be available for allocation on proportionate basis to Non Retail Applicants.
- 2) Under- subscription if any, in any category, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the Lead Managers and the Stock Exchange.
- 3) Allocation to Non-Residents, including Eligible NRIs, Eligible QFIs, FIIs and FVCIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.
- 4) In terms of SEBI Regulations, Non Retail Applicants shall not be allowed to either withdraw or lower the size of their applications at any stage.
- 5) Allotment status details shall be available on the website of the Registrar to the Issue.

#### **Signing of Underwriting Agreement and Filing of Prospectus with ROC**

- a) Our company has entered into an Underwriting Agreement dated June 28, 2016 and addendum dated September 16, 2016
- b) A copy of Prospectus will be filed with the RoC in terms of Section 26 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation.





### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) The Lead Managers or the Registrar to the Issue will dispatch an Allotment Advice to their Applicants who have been allocated Equity Shares in the Issue.

The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Applicant.

### **General Instructions**

#### **Do's:**

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- Each of the Applicants should mention their Permanent Account Number (PAN) allotted under the Income Tax Act, 1961;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant.
- Ensure that you have funds equal to the Application Amount in the ASBA account maintained with the SCSB before submitting the Application Form under the ASBA process to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations); Instruct your respective Banks to not release the funds blocked in the ASBA Account under the ASBA process;
- Ensure that the Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the Application Forms are delivered by the applicants within the time prescribed as per the Application Form and the Prospectus;
- Ensure that you have requested for and receive a TRS;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your application options;
- All Investors submit their applications through the ASBA process only;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
- The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

#### **Don'ts:**

- Do not apply for lower than the minimum Application size;
- Do not apply for a price different from the price mentioned herein or in the Application Form;
- Do not apply on another Application Form after you have submitted an application to the SCSBs, Registered Brokers of Stock Exchange, RTA and DPs registered with SEBI;
- Do not pay the Application Price in cash, by money order or by postal order or by stock invest;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Issue Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;





- Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant; and
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not make more than five application from one bank account.

### **Instructions for Completing the Application Form**

The Applications should be submitted on the prescribed Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Application Form. Applications not so made are liable to be rejected. Application Forms should bear the stamp of the Designated Intermediaries. ASBA Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Application forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [www.bseindia.com](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 ETA 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**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.



Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre Issue or post Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

**Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps 'for completion of the necessary formalities for listing and commencement of trading at SME Platform of BSE where the Equity Shares are proposed to be listed are taken within 6 (Six) working days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 6 (Six) days of the Issue Closing Date;
2. The Company will provide adequate funds required for dispatch of Allotment Advice to the Registrar to the Issue.

**Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

"Any person who—

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

**Undertakings by Our Company**

We undertake as follows:

- 1) That the complaints received in respect of the Issue shall be attended to by us expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Equity Shares are proposed to be listed within 6 (six) Working days of Issue Closing Date.
- 3) That if the Company do not proceed with the Issue, the reason thereof shall be given as a public notice to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 4) That the our Promoters' contribution in full has already been brought in;
- 5) That no further issue of Equity Shares shall be made till the Equity Shares offered through the Prospectus are listed or until the Application monies are unblocked on account of non-listing, under subscription etc. and
- 6) That if the Company withdraws the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event our Company subsequently decides to proceed with the Issuer;



**Utilization of Issue Proceeds**

The Board of Directors of our Company certifies that:

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The Lead Manager undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company will sign the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a) Agreement dated August 11, 2016 between NSDL, the Company and the Registrar to the Issue;
- b) Agreement dated August 02, 2016 between CDSL, the Company and the Registrar to the Issue;

The Company's equity shares bear an ISIN No. INE448V01019



## **PART B**

### **GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES**

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 (to the extent notified and in effect), the Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon the notification of the Companies Act, 2013), the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Draft Prospectus/Prospectus before investing in the Issue

#### **Section 1: Purpose of the General Information Document (GID)**

This document is applicable to the public issues undertaken inter-alia through the Fixed Price Issues. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Applicants in IPOs, on the processes and procedures governing IPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”) as amended.

Applicants should note that investment in equity and equity related securities involves risk and Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue; are set out in the Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Applicants should carefully read the entire Prospectus and the Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the Prospectus, the disclosures in the Prospectus shall prevail. The Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **LM(s)** to the Issue and on the website of Securities and Exchange Board of India (“**SEBI**”) at [www.sebi.gov.in](http://www.sebi.gov.in).

For the definitions of capitalized terms and abbreviations used herein Applicants may refer to the section “Glossary and Abbreviations”.

#### **Section 2: Brief Introduction to IPOs on SME Exchange**

##### **2.1 Initial public offer (IPO)**

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is inter-alia required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009 if applicable. For details of compliance with the eligibility requirements by the Issuer Applicants may refer to the Prospectus.

The Issuer may also undertake IPO under Chapter XB of SEBI (ICDR) regulations, wherein as per,

- Regulation 106M (1): An issuer whose post-issue face value capital does not exceed ten crore rupees shall issue its specified securities in accordance with provisions of this Chapter.
- Regulation 106M (2): An issuer whose post-issue face value capital is more than ten crore rupees and upto twenty five crore rupees, may also issue its specified securities in accordance with provisions of this Chapter.

The present Issue being made under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation.



## **2.2 Other Eligibility Requirements**

In addition to the eligibility requirements specified in paragraphs 2.1 an Issuer proposing to undertake an IPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 1956 and the Companies Act, 2013 as may be applicable (“the Companies Act”), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

Following are the eligibility requirements for making an SME IPO under Regulation 106M (1) of Chapter XB of SEBI (ICDR) Regulation:

- a) In accordance with Regulation 106(P) of SEBI (ICDR) Regulation, Issue has to be 100% underwritten and the LM has to underwrite at least 15% of the total issue size.
- b) In accordance with regulation 106(R) of SEBI (ICDR) Regulation, total number of proposed allottees in the Issue shall be greater than or equal to fifty, otherwise the entire application money will be blocked forthwith. If such money is not repaid within eight days from the date the company becomes liable to repay it, than the Company and every officer in default shall, on and from expiry of eight days, be liable to repay such application money, with interest as prescribed under Section 40 of the Companies Act, 2013.
- c) In accordance with Regulation 106(O) the SEBI (ICDR) Regulation, Company is not required to file any Offer Document with SEBI nor has SEBI issued any observations on the Offer Document. The Lead Manager shall submit the copy of Prospectus along with a Due Diligence Certificate including additional confirmations as required to SEBI at the time of filing the Prospectus with Stock Exchange and the Registrar of Companies.
- d) In accordance with Regulation 106(V) of the SEBI (ICDR) Regulation, the LM has to ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares offered in the Issue.
- e) The Issuer shall have Net Tangible Assets of atleast Rs. 1 crore as per the latest audited financial result.
- f) The Net worth (excluding revaluation reserves) of the Issuer shall be at least Rs. 1 crore as per the latest audited financial result.
- g) The issuer should have a tract record of distributable profits in terms of Section 123 of Companies Act, 2013 for two out of immediately preceding three financial years.
- h) The post –issue paid up capital of the issuer shall be at least Rs. 1 crore.
- i) The issuer shall mandatorily facilitate trading in demat securities
- j) The issuer should not been referred to Board for Industrial and Financial Reconstruction.
- k) No petition for winding up is admitted by a court of competent jurisdiction against the Issuer.
- l) No material regulatory or disciplinary action should have been taken by any stock exchange or regulatory authority in the past three years against the Issuer.
- m) The company should have a website
- n) There has been no change in the promoter(s) of the company in the 1 year preceding the date of filing application to NSE for listing on SME segment.

Issuer shall also comply with all the other requirements as laid down for such an Issue under Chapter X-B of SEBI (ICDR) Regulations and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.



As per Regulation 106 (M) (3) of SEBI (ICDR) Regulation, 2009 the provisions of regulations 6(1), 6(2), 6(3) , Regulation 8, Regulation 9, Regulation 10, Regulation 25, Regulation 26, Regulation 27 and Sub regulation (1) of Regulation 49 of SEBI (ICDR) Regulations, 2009 shall not apply to this Issue.

Thus the Company is eligible for the Issue in accordance with Regulation 106M(1) and other provision of Chapter XB of SEBI (ICDR) Regulations as the post –issue face value capital does not exceed Rs.1,000 Lacs. Company also complies with the eligibility conditions laid by the SME Platform of NSE for listing of our Equity Shares.

### **2.3 Types of Public Issues – Fixed Price Issues and Book Built Issues**

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Issue (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in this Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Applicants should refer to the Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

### **2.4 Issue Period**

The Issue may be kept open for a minimum of three Working Days (for all category of Applicants) and not more than ten Working Days. Applicants are advised to refer to the Application Form and Abridged Prospectus or Prospectus for details of the Issue Period. Details of Issue Period are also available on the website of Stock Exchange.

### **2.5 Migration To Main Board**

SME Issuer may migrate to the Main Board of Stock Exchange from the SME Exchange at a later date subject to the following:

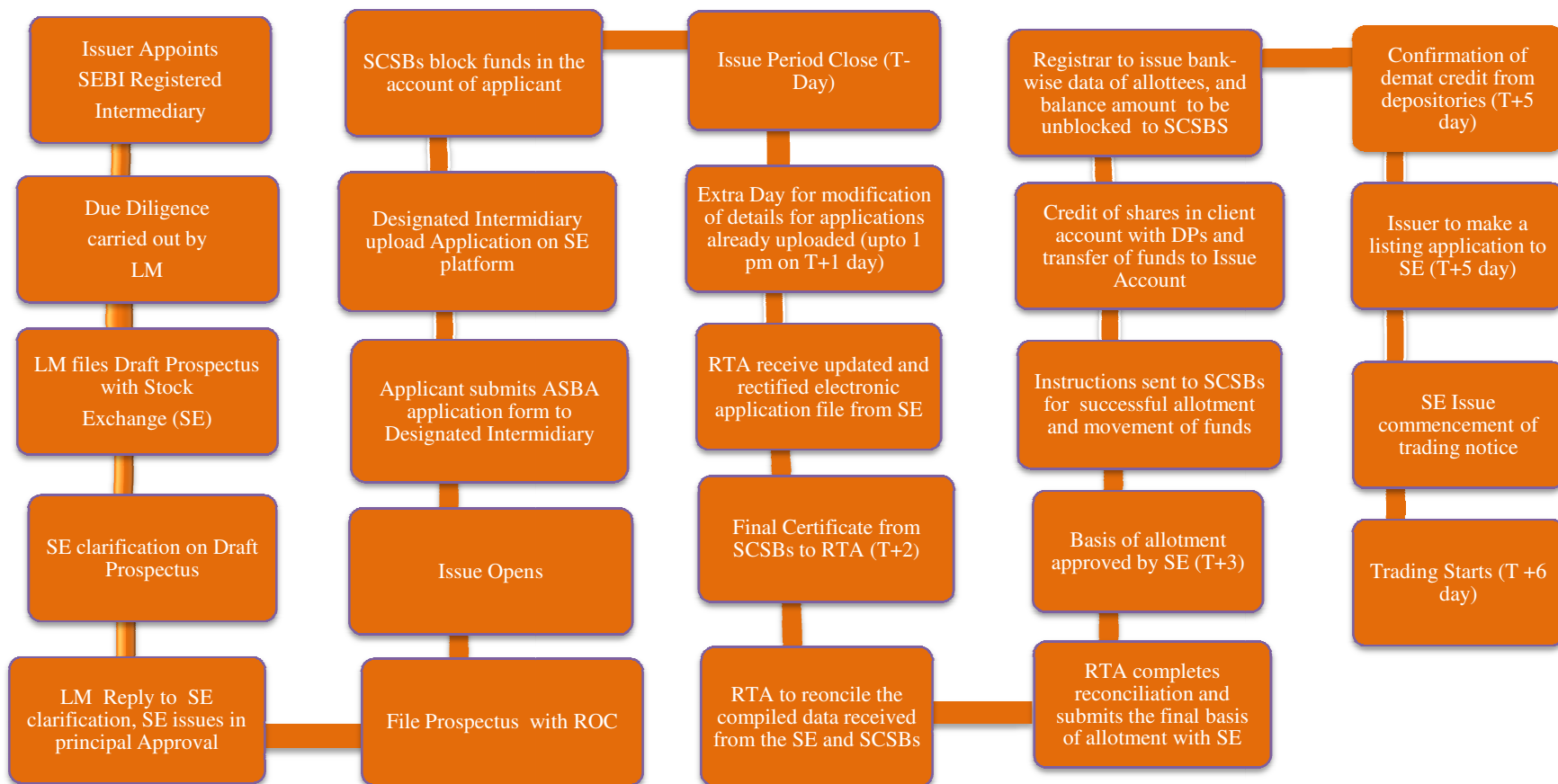
- a) If the Paid up Capital of the Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), The Company shall apply to SE for listing of its shares on its Main Board subject to the fulfillment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

- b) If the Paid up Capital of the company is more than 10 crores but below Rs. 25 crores, the Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favour of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

### **2.6 Flowchart Of Timelines**

A flow chart of process flow in Fixed Price Issues is as follows:







### **Section 3: Category of Investors Eligible to Participate in an Issue**

**Each Applicant should check whether it is eligible to apply under applicable law.** Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.

Subject to the above, an illustrative list of Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three) or in the names of minors as natural / legal guardian;
- Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder/Applicant should specify that the Application is being made in the name of the HUF in the Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs may be considered at par with those from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorized to invest in equity shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law; NRIs other than Eligible NRIs are not eligible to participate in this Issue.
- Indian Financial Institutions, scheduled commercial banks regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FPIs other than Category III foreign portfolio investors, VCFs and FVCIs registered with SEBI.
- Limited liability partnerships registered in India and authorized to invest in equity shares.
- State Industrial Development Corporations.
- Trusts/societies registered under the Societies Registration Act, 1860, as amended or under any other law relating to trusts/societies and who are authorized under their respective constitutions to hold and invest in equity shares;
- Scientific and/ or Industrial Research Organizations authorized to invest in equity shares.
- Insurance Companies registered with IRDA;
- Provident Funds and Pension Funds with minimum corpus of Rs. 2500 Lakhs and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no F.No.2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy, air force of the Union of India or by Department of Posts, India;
- Any other person eligible to apply to this Issue, under the laws, rules, regulations, guidelines, and policies applicable to them and under Indian Laws.

As per the existing regulations, OCBs are not allowed to participate in an Issue.

### **Section 4: Applying in the Issue**

**Fixed Price Issue:** Applicants should only use the specified cum Application Form either bearing the stamp of Designated Intermediaries as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the registered office of the Issuer, and office of the RTA and at the office of the LM. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Applicants should ensure that they apply in the appropriate category. The prescribed color of the Application Form for various categories of Applicants is as follows:

Category	Color of the Application
Resident Indian, Eligible NRIs applying on a non -repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue



Securities Issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to allotment.

#### **4.1 Instructions For Filing Application Form/ Application Form (Fixed Price Issue)**

Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the Prospectus and Application Form are liable to be rejected.

Instructions to fill each field of the Application Form can be found on the reverse side of the Application Form. Specific instructions for filling various fields of the Resident Application Form and Non-Resident Application Form and samples are provided below.

The samples of the Application Form for resident Applicants and the Application Form for non-resident Applicants are reproduced below:

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<p><b>COMMON BID CUM APPLICATION FORM</b></p>	<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p> <p>Address : ..... Contact Details: ..... CIN No. ....</p>	<p>For Eligible NRI, FI, FVCI, applying on Restriction Basis</p>																											
<p>LOGO</p> <p>TO, THE BOARD OF DIRECTORS XYZ LIMITED</p>	<p><b>FIXED PRICE GME ISSUE</b></p> <p><b>INE00000000000</b></p>	<p>Bid cum Application Form No. ....</p>																											
<p><b>SYNDICATE MEMBER'S STAMP &amp; CODE</b> <b>BROKER/SCSB/DP/RTA STAMP &amp; CODE</b></p>																													
<p><b>1. NAME &amp; CONTACT DETAILS OF SOLE / FIRST BIDDER</b></p> <p>Mr. / Ms. ....</p> <p>Address ..... Email .....</p> <p>Tel. No (with STD code) / Mobile .....</p>																													
<p><b>2. PAN OF SOLE / FIRST BIDDER</b></p> <p>.....</p>																													
<p><b>3. BIDDER'S DEPOSITORY ACCOUNT DETAILS</b> <input type="checkbox"/> NSDL <input type="checkbox"/> CDSL</p> <p>For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID</p>																													
<p><b>4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Bid Options</th> <th rowspan="2">No. of Equity Shares Bid (In Figures) (Bid: one of two in multiples of Bid Lot as advertised)</th> <th colspan="3">Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)</th> <th rowspan="2">"Cut-off" (Please tick)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> </thead> <tbody> <tr> <td>Option 1</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 2</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> <td><input type="checkbox"/></td> </tr> <tr> <td>(OR) Option 3</td> <td>.....</td> <td>.....</td> <td>.....</td> <td>.....</td> <td><input type="checkbox"/></td> </tr> </tbody> </table>			Bid Options	No. of Equity Shares Bid (In Figures) (Bid: one of two in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)	Bid Price	Retail Discount	Net Price	Option 1	.....	.....	.....	.....	<input type="checkbox"/>	(OR) Option 2	.....	.....	.....	.....	<input type="checkbox"/>	(OR) Option 3	.....	.....	.....	.....	<input type="checkbox"/>
Bid Options	No. of Equity Shares Bid (In Figures) (Bid: one of two in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			"Cut-off" (Please tick)																								
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Option 1	.....	.....	.....	.....	<input type="checkbox"/>																								
(OR) Option 2	.....	.....	.....	.....	<input type="checkbox"/>																								
(OR) Option 3	.....	.....	.....	.....	<input type="checkbox"/>																								
<p><b>5. CATEGORY</b></p> <p><input type="checkbox"/> Retail Investor Bidder</p> <p><input type="checkbox"/> Non-Institutional Bidder</p> <p><input type="checkbox"/> QIB</p>																													
<p><b>6. Investor Status</b></p> <p><input type="checkbox"/> Non-Resident Indians (Repatriation Basis) NRI</p> <p><input type="checkbox"/> Foreign Institutional Investor FI</p> <p><input type="checkbox"/> Foreign Venture Capital Investor FVCI</p> <p><input type="checkbox"/> FI Sub Account Corporate/ Individual FI SA</p> <p><input type="checkbox"/> Others (Please Specify) OTH</p>																													
<p><b>7. PAYMENT DETAILS</b> <b>PAYMENT OPTION : FULL PAY</b></p> <p>Amount paid (₹ in figures) ..... (₹ in words) .....</p> <p>ASBA Bank A/c No. ....</p> <p>Bank Name &amp; Branch .....</p>																													
<p><small>I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE APPLICABLE SECURITIES AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "BIDDER'S UNDERTAKING" AS GIVEN OVERLEAF I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.</small></p>																													
<p><b>8A. SIGNATURE OF SOLE / FIRST BIDDER</b></p> <p>.....</p> <p>Date : .....</p>																													
<p><b>8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)</b></p> <p>I/We authorize the SCSB to do all acts as are necessary to make the Application in the line</p> <p>1) .....</p> <p>2) .....</p> <p>3) .....</p>																													
<p><b>BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)</b></p>																													

TEAR HERE

<p>LOGO</p>	<p><b>XYZ LIMITED</b></p> <p><b>INITIAL PUBLIC ISSUE - NR</b></p>	<p><b>Acknowledgement Slip for Broker/SCSB/DP/RTA</b></p> <p>Bid cum Application Form No. ....</p>
<p>DPID / CUID ..... PAN of Sole / First Bidder .....</p>		
<p>Amount paid (₹ in figures) ..... Bank &amp; Branch .....</p> <p>ASBA Bank A/c No. ....</p> <p>Received from Mr/Ms. ....</p> <p>Telephone / Mobile ..... Email .....</p>		
<p><b>Stamp &amp; Signature of SCSB Branch</b></p>		
<p><b>TEAR HERE</b></p>		
<p><b>XYZ LIMITED - INITIAL PUBLIC ISSUE - NR</b></p>	<p><b>Acknowledgement Slip for Bidder</b></p> <p>Bid cum Application Form No. ....</p>	<p><b>Name of Sole / First Bidder</b></p> <p>.....</p>
<p><b>Stamp &amp; Signature of Broker / SCSB / DP / RTA</b></p>		
<p><b>Stamp &amp; Signature of Bidder</b></p>		



#### **4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST APPLICANT**

Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

- a) **Mandatory Fields:** Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Applicants should note that the contact details mentioned in the Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of \Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Application Form may be used by the Issuer,
- b) The Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.
- c) **Joint Applications:** In the case of Joint Applications, the Applications should be made in the name of the Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Applicant would be required in the Bid cum Application Form/Application Form and such first Applicant would be deemed to have signed on behalf of the joint holders All communications may be addressed to such Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- d) **Impersonation:** Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

**“Any person who:**

- **makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or**
  - **makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or**
  - **otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”**
- e) **Nomination Facility to Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Applicants should inform their respective DP.

#### **4.1.2 FIELD NUMBER 2: PAN NUMBER OF SOLE FIRST APPLICANT**

- a) PAN (of the sole/ first Applicant) provided in the Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories’ records.
- b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Applications on behalf of the Central or State Government, Applications by officials appointed by the courts and Applications by Applicants residing in Sikkim (“PAN Exempted Applicants”). Consequently, all Applicants, other than the PAN Exempted Applicants, are required to disclose their PAN in the Application Form, irrespective of the Application Amount. A Application Form without PAN, except in case of Exempted Applicants, is liable to be rejected. Applications by the Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- c) The exemption for the PAN Exempted Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.





- d) Application Forms which provide the General Index Register Number instead of PAN may be rejected.
- e) Applications by Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and demographic details are not provided by depositories.

#### **4.1.3 FIELD NUMBER 3: APPLICANTS DEPOSITORY ACCOUNT DETAILS**

- a) Applicants should ensure that DP ID and the Client ID are correctly filled in the Application Form. The DP ID and Client ID provided in the Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Application Form is liable to be rejected.**
- b) Applicants should ensure that the beneficiary account provided in the Application Form is active.
- c) Applicants should note that on the basis of DP ID and Client ID as provided in the Application Form, the Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to an Issue.
- d) Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Applicants’ sole risk.

#### **4.1.4 FIELD NUMBER 4: APPLICATION DETAILS**

- a) The Issuer may mention Price as per Prospectus. However a Prospectus registered with RoC contains one price.
- b) Minimum and Maximum Application Size

- i. For Retails Individual Applicants

The Application must be for a minimum of 4000 equity shares. As the application price payable by the retail individual applicants cannot exceed Rs. 200000 they can make Application for only minimum Application size i.e for 4000 equity shares.

- ii. For Other Applicants (Non Institutional Applicants and QIBs):

The Application must be for a minimum of such number of equity shares such that the Application Amount exceeds Rs. 200000 and in multiples of 4000 equity shares thereafter. An application cannot be submitted for more than the Issue Size. However, the maximum application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Applicant cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application. In case of revision of Applications, the Non Institutional Applicants, who are individuals, have to ensure that the Application Amount is greater than Rs. 200000 for being considered for allocation in the Non Institutional Portion. Applicants are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of equity shares that can be held by them under prescribed law or regulation or as specified in this Prospectus.

- c) **Multiple Applications:** An applicant should submit only one Application Form. Submission of a second Application Form to either the same or to the Designated Intermediaries and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.



- d) Applicants are requested to note the following procedures may be followed by the Registrar to the issue to detect multiple applications:
  - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and PFI sub-accounts, applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
  - ii. For applications from Mutual Funds and FPI sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- e) The following applications may not be treated as multiple applications:
  - i. Application by Reserved Categories in their respective reservation portion as well as that made by them in the Net Issue portion in public category.
  - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Application clearly indicates the scheme for which the application has been made.
  - iii. Application by Mutual Funds, and sub-accounts of FPIs (or FPIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs, and DP IDs.

#### **4.1.5 FIELD NUMBER 5: CATEGORY OF APPLICANTS**

- a) The categories of Applicants identified as per the SEBI ICDR Regulations, 2009 as amended for the purpose of Application, allocation and allotment in the Issue are RIIs, Individual applicants other than RIIs, and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).
- b) An Issuer can make reservation for certain categories of Applicants as permitted under the SEBI ICDR Regulations, 2009 as amended. For details of any reservations made in the Issue, Applicants may refer to the Prospectus.
- c) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Applicants in an Issue depending upon compliance with the eligibility conditions. For details pertaining to allocation and Issue specific details in relation to allocation Applicant may refer to the Prospectus.

#### **4.1.6 FIELD NUMBER 6: INVESTOR STATUS**

- a) Each Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.
- b) Certain categories of Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Applicants are requested to refer to the Prospectus for more details.
- c) Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Application Form and Non-Resident Application Form.
- d) Applicants should ensure that their investor status is updated in the Depository records.

#### **4.1.7 FIELD NUMBER 7: PAYMENT DETAILS**

- a) All Applicants are required to use ASBA facility to block the full Amount (net of any Discount, as applicable) along with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the





Application Form and the funds shall be blocked for Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

- b) All categories of investors can participate in the Issue only through ASBA mechanism.
- c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

#### **4.1.7.1 Payment instructions for Applicants**

- (a) Applicants may submit the Application Form either in physical mode or online mode to any Designated Intermediaries.
- (b) Applicants should specify the Bank Account number in the Application Form. The Application Form submitted by an Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.
- (c) Applicant should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;
- (d) Applicant shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Application Forms can be submitted.
- (f) Applicants applying through a member of the Syndicate should ensure that the Application Form is submitted to a member of the Syndicate only at the Specified Locations. Applicants should also note that Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Application Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries>).
- (g) Applicants applying through a Registered Broker, RTA or CDP should note that Application Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in Application Form, is maintained has not named at least one branch at that location for the Registered Brokers, RTA or CDP, as the case may be, to deposit Application Forms.
- (h) ASBA Applicant applying directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form may upload the details on the Stock Exchange Platform.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.
- (l) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.
- (m) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.
- (n) SCSBs applying in the Issue must apply through an Account maintained with any other SCSB; else their Application is



liable to be rejected.

#### **4.1.8 Unblocking of ASBA Account**

- a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted, if any, against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected/ non allotment / partial allotment ASBA Application, if any, along with reasons for rejection and details of withdrawn or unsuccessful Application, if any, to enable the SCSBs to unblock the respective bank accounts.
- b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

In the event of withdrawal or rejection of the Application Form and for unsuccessful Application, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 6 Working Days of the Issue Closing Date.

##### **4.1.8.1 Discount (if applicable)**

- a) The Discount is stated in absolute rupee terms.
- b) RII, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, Applicants may refer to the Prospectus.
- c) For the Applicants entitled to the applicable Discount in the Issue the Application Amount less Discount (if applicable) shall be blocked.

##### **4.1.8.2 Additional Instructions for NRIs**

The Non-Resident Indians who intend to block funds in their Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Application by NRIs applying on a repatriation basis, blocking of funds in their NRO account shall not be accepted.

#### **4.1.9 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

- a) Only the First Applicant is required to sign the Application Form. Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- b) If the ASBA Account is held by a person or persons other than the Applicant, then the Signature of the ASBA Account holder(s) is also required.
- c) In relation to the Applications, signature has to be correctly affixed in the authorization/undertaking box in the Application Form, or an authorization has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Amount mentioned in the Application Form.
- d) Applicants must note that Application Form without signature of Applicant and /or ASBA Account holder is liable to be rejected.

#### **4.1.10 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should ensure that they receive the acknowledgment duly signed and stamped by the Designated Intermediary, as applicable, for submission of the Application Form.

- a) All communications in connection with Applications made in the Issue should be addressed as under:



- i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, the Applicants should contact the Registrar to the Issue.
  - ii. In case of Applications submitted to the Designated Branches of the SCSBs or Registered Brokers or Registered RTA/DP, the Applicants should contact the relevant Designated Branch of the SCSBs or Registered Brokers or Registered RTA/DP, as the case maybe.
  - iii. Applicant may contact the Company Secretary and Compliance Officer or LM(s) in case of any other complaints in relation to the Issue.
- b) The following details (as applicable) should be quoted while making any queries –
- i. Full name of the sole or Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.
  - ii. name and address of the Designated Intermediary, where the Application was submitted; or
  - iii. In case of ASBA Applications, ASBA Account number in which the amount equivalent to the Application Amount was blocked.

For further details, Applicant may refer to the Prospectus and the Application Form.

#### **4.2 INSTRUCTIONS FOR FILING THE REVISION FORM**

- a) During the Issue Period, any Applicant (other than QIBs and NIIs, who can only revise their application upwards) who has registered his or her interest in the Equity Shares at a particular number of shares is free to revise number of shares applied using revision forms available separately.
- b) RII may revise their applications till closure of the issue period or withdraw their applications until finalization of allotment.
- c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- d) The Applicant can make this revision any number of times during the Issue Period. However, for any revision(s) in the Application, the Applicants will have to use the services of the same Designated Intermediary through which such Applicant had placed the original Application.

A sample Revision form is reproduced below:



<b>COMMON BID REVISION FORM</b>		<b>XYZ LIMITED - INITIAL PUBLIC ISSUE - R</b>		<b>FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS</b>								
Address : .....		Contact Details : .....		CIN No. ....								
LOGO		TO, THE BOARD OF DIRECTORS XYZ LIMITED		Bid cum Application Form No. .... BOOK BUILT ISSUE ISIN : .....								
SYNDICATE MEMBER'S STAMP & CODE		BROKER/SCSB/DP/RTA STAMP & CODE		1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER								
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE		ESCROW BANK/SCSB BRANCH STAMP & CODE		Mr. / Ms. .... Address ..... Tel. No (with STD code) / Mobile ..... Email .....								
BANK BRANCH SERIAL NO.		SCSB SERIAL NO.		2. PAN OF SOLE / FIRST BIDDER								
				3. BIDDER'S DEPOSITORY ACCOUNT DETAILS								
				<input type="checkbox"/> NSDL <input type="checkbox"/> CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID								
<b>PLEASE CHANGE MY BID</b>												
4. FROM (AS PER LAST BID OR REVISION)												
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)									
	(In Figures)		(In Figures)									
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off"
Option 1												(Please tick)
(OR) Option 2												
(OR) Option 3												
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")												
Bid Options:	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised)		Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only)									
	(In Figures)		(In Figures)									
	8	7	6	5	4	3	2	1	Bid Price	Retail Discount	Net Price	"Cut-off"
Option 1												(Please tick)
(OR) Option 2												
(OR) Option 3												
6. PAYMENT DETAILS												
Additional Amount Paid (₹ in figures) ..... (₹ in words) .....												
ASBA Bank A/c No. ....												
Bank Name & Branch .....												
I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED BROCHURE/NOTES AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.												
7A. SIGNATURE OF SOLE / FIRST BIDDER		7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)		BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)								
Date : .....		I/We authorize the SCSB to do all acts as are necessary to make the Application in the law										
		1) .....										
		2) .....										
		3) .....										
TEAR HERE												
LOGO		<b>XYZ LIMITED</b>		Acknowledgement Slip for Broker/SCSB/DP/RTA								
BID REVISION FORM - INITIAL PUBLIC ISSUE - R				Bid cum Application Form No. ....								
DPID / CLID		PAN of Sole / First Bidder										
Additional Amount Paid (₹)		Bank & Branch		Stamp & Signature of SCSB Branch								
ASBA Bank A/c No.												
Received from Mr./Ms.												
Telephone / Mobile		Email										
TEAR HERE												
XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R		Option 1		Option 2								
Option 3		Stamp & Signature of Broker / SCSB / DP / RTA		Name of Sole / First Bidder								
No. of Equity Shares												
Bid Price												
Additional Amount Paid (₹)												
ASBA Bank A/c No.												
Bank & Branch												
				Acknowledgement Slip for Bidder								
				Bid cum Application Form No. ....								

#### 4.2.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST APPLICANT, PAN OF SOLE/FIRST APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE APPLICANT

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

#### 4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- Apart from mentioning the revised options in the Revision Form, the Applicant must also mention the details of the share applied for given in his or her Application Form or earlier Revision Form.



- b) In case of revision of Applications by RIIs, Employees and Retail Individual Shareholders, such Applicants should ensure that the Application Amount, should not exceed Rs.200,000/- due to revision and the application may be considered, subject to the eligibility, for allocation under the Non-Institutional Category.

#### **4.2.3 FIELD 6: PAYMENT DETAILS**

Applicant may Issue instructions to block the revised amount in the ASBA Account, to the Designated Branch through whom such Applicant had placed the original Application to enable the relevant SCSB to block the additional Application Amount, if any.

#### **4.2.4 FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

#### **4.3 SUBMISSION OF REVISION FORM/APPLICATION FORM**

Applicants may submit completed application form / Revision Form in the following manner:-

<b>Mode of Application</b>	<b>Submission of Application Form</b>
All Investor Applications	To the Designated Intermediaries

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively

### **SECTION 5: ISSUE PROCEDURE IN FIXED PRICE ISSUE**

#### **5.1 Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue.**

As the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form. Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Designated Intermediary.

Applicants may submit an Application Form either in physical/ electronic form to Designated Intermediaries or the Designated Branches of the SCSBs authorizing blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

#### **5.2 GROUNDS FOR TECHNICAL REJECTIONS**

Applicants are advised to note that the Applications are liable to be rejected, inter-alia, on the following technical grounds:-

- Amount paid does not tally with the amount payable for the Equity shares applied for;
- In case of partnership firms, Application for Equity Shares made in the name of the individual partners and no firm as such shall be entitled to apply.
- Application by persons not competent to contract under the Indian Contract Act, 1872, including minors, insane person.
- PAN not mentioned in the Application Form.
- GIR number furnished instead of PAN.





- Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- Applications at a price other than the Fixed Price of the Issue;
- Applications for number of Equity Shares which are not in multiples of 6,000;
- Category not ticked;
- Multiple Applications as defined in this Prospectus as such, based on common PAN;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted;
- Signature of sole Applicant is missing;
- Application Forms are not delivered by the Applicants within the time prescribed as per the Application Form, Issue Opening Date advertisement and Prospectus as per the instructions in the Prospectus and Application Forms;
- In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Applications by OCBs;
- Applications by US person other than in reliance on Regulation S or “qualified institutional buyers” as defined in Rule 144A under the Securities Act;
- Application not duly signed by the sole applicant;
- Application by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Application that do not comply with the securities laws of their respective jurisdictions are liable to be rejected.
- Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Application by person not eligible to acquire equity shares of the company in terms of all applicable laws, rules, regulations, guidelines, and approvals.
- Application or revision thereof by QIB Applicants, Non Institutional Applicants where the Application Amount is in excess of Rs. 200000 received after 3.00 pm on the issue Closing date unless the extended time is permitted by BSE.
- Inadequate funds in the bank account to block the Application Amount specified in the Application Form/Application Form at the time of blocking such Application Amount in the bank account;
- Where no confirmation is received from SCSB for blocking of funds;
- Applications by Applicants not submitted through ASBA process;
- Applications not uploaded on the terminals of the Stock Exchanges; and
- Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Application Form.
- Details of ASBA Account not provided in the Application form
- From one ASBA Account, more than five applications are made by applicant.

For details of instructions in relation to the Application Form, Applicants may refer to the relevant section of GID.

**APPLICANT SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGE BY THE BROKERS DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE APPLICATION FORM IS LIABLE TO BE REJECTED.**

#### **SECTION 6: ISSUE PROCEDURE IN BOOK BUILT ISSUE**

This being the Fixed Price Issue this section is not applicable for this Issue.

#### **SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

##### **7.1 Basis of Allotment**

Allotment will be made in consultation with SME Platform of NSE (The Designated Stock Exchange). In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:



- a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the over subscription ratio (number of applicants in the category x number of Shares applied for).
- b) The number of Shares to be allocated to the successful applicants will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c) For applications where the proportionate allotment works out to less than 4000 Equity Shares the allotment will be made as follows:
  - i. Each successful applicant shall be allotted 4,000 Equity Shares;
  - ii. The successful applicants out of the total applicants for that category shall be determined by the drawal of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (2) above.
- d) If the proportionate allotment to an applicant works out to a number that is not a multiple of 4000 Equity Shares, the applicant would be allotted Shares by rounding off to the lower nearest multiple of 4000 Equity Shares subject to a minimum allotment of 4000 Equity Shares.
- e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants applying for the minimum number of Shares. If as a result of the process of rounding off to the lower nearest multiple of 4000 Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, upto 110% of the size of the offer specified under the Capital Structure mentioned in this Prospectus.
- f) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for Retail Individual applicants as described below:
  - i. As per Regulation 43(4) of the SEBI (ICDR) Regulations, as the Retail Individual Investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
  - ii. Remaining to Individual applicants other than retail individual investors and Other investors including corporate bodies or institutions, irrespective of the number of specified securities applied for;
  - iii. The unsubscribed portion in either of the categories specified in (a) or (b) above may be available for allocation to the applicants in the other category, if so required.

'Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 2,00,000. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with SME Platform of NSE.

The Executive Director/ Managing Director of the SME Platform of NSE, Designated Stock Exchange in addition to Lead Merchant Banker and Registrar to the Public Offer shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations, 2009.

## **7.2 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES**

- a) **Designated Date:** On the Designated Date, the SCSBs shall transfer the funds represented by allocation of Equity Shares into the Public Issue Account with the Bankers to the Issue.
- b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Applicants who have been Allotted Equity Shares in the Issue.





- c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) initiate corporate action for credit of shares to the successful Applicants Depository Account will be completed within 5 Working Days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within 5 Working Days of the Issue Closing Date.

## **SECTION 8: INTEREST AND REFUNDS**

### **8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING**

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 6 Working Days of the Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 6 Working Days of the Issue Closing Date.

### **8.2 GROUNDS FOR UNBLOCKING OF FUNDS**

#### **8.2.1 Non Receipt of Listing Permission**

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in Prospectus. The Designated Stock Exchange may be as disclosed in the Prospectus with which the Basis of Allotment may be finalized.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith initiate action to unblock the application amount from the Investors accounts. If such money is not repaid within the eight days after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of eight days, be liable to repay the money, with interest at such rate, as prescribed under Section 73 of Companies Act, and disclosed in the Prospectus.

#### **8.2.2 Minimum Subscription**

This Issue is not restricted to any minimum subscription level. This Issue is 100% underwritten.

As per Section 39 of Companies Act, 2013 if the "stated minimum amount" has not been subscribed and the sum payable on application is not received within a period of 30 days from the date of the Prospectus, the application money has to be returned within such period as may be prescribed. If our company does not receive the 100% subscription of the offer through the Offer Document including devolvement of underwriters, if any, within sixty (60) days from the date of closure of the issue, our company shall forthwith unblocked the entire application amount received. If there is a delay beyond eighty days after our company becomes liable to pay the amount, our company and every officer in default will, on and from the expiry of this period be jointly and severally liable to repay the money, with interest or other penalty as prescribed under SEBI Regulations and the Companies Act, 2013.

The minimum number of allottees in this Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50 no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked within 6 working days of closure of the issue.

Further in accordance with Regulation 106(Q) of the SEBI (ICDR) Regulations, our Company shall ensure that the minimum application size in terms of number of specified securities shall not be less than Rs.100000/- (Rupees One Lakh) per application.

The equity shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance without the applicable laws of such jurisdiction.



### 8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective allottees to whom Equity Shares may be allotted may not be less than 50 failing which the entire application monies may be unblocked forthwith.

### 8.3 Mode of Unblocking of Funds

Within 6 Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application and also for any excess amount blocked on Application.

#### 8.3.1 Mode of making refunds for Applicants

The Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA applications or in the event of withdrawal or failure of the Issue.

### 8.4 Interest In Case Of Delay in Allotment

The Issuer may pay interest at the rate of 15% per annum if demat credits are not made to Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 6 Working days of the Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 6 working days from the Issue Closing Date, if Allotment is not made.

## **SECTION 9: GLOSSARY AND ABBREVIATIONS**

*Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.*

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Applicants
Allottee	An Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Applicants to make a Application authorizing an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Application Amount of the ASBA Applicant
ASBA Application	A Application made by an ASBA Applicant
Applicant	Prospective Applicants in the Issue who apply through ASBA
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Applicants under the Issue



Term	Description
Bid	The date after which the SCSBs may not accept any application for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Closing Date
Issue Closing Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Opening Date	The date on which the SCSBs may start accepting application for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants may refer to the Prospectus for the Issue Opening Date
Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants (other than Anchor Investors) can submit their Application, inclusive of any revisions thereof. The Issuer may consider closing the Issue Period for QIBs one working day prior to the Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants may refer to the Prospectus for the Issue Period
Application Amount	The value indicated in the Application Form and payable by the Applicant upon submission of the Application (except for Anchor Investors), less discounts (if applicable).
Application Form	The form in terms of which the Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise.
Applicant	Any prospective investor (including an ASBA Applicant) who makes a Application pursuant to the terms of the Prospectus and the Application Form. In case of issues undertaken through the fixed price process, all references to a Applicant should be construed to mean an Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009,
Broker Centres	Broker Centres notified by the Stock Exchanges, where Applicants can submit the Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
Lead Manager/ LM	The Lead Manager to the Issue as disclosed in the Prospectus and the Application Form of the Issuer.
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation Allotment Note	of The note or advice or intimation sent to each successful Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account



Term	Description
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Applicants including the Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Application Forms used by the ASBA Applicants applying through the ASBA and a list of which is available on <a href="http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries">http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries</a> .
Designated CDP Locations	Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants.  The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange i.e. <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 Date	The date on or after which funds are transferred by the SCSBs to the Public Issue Account of the Issuer.
Designated Stock Exchange	The designated stock exchange as disclosed in the Prospectus of the Issuer
Designated Intermediaries /Collecting Agent	Syndicate Members, Sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Issue
Discount	Discount to the Issue Price that may be provided to Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The Draft Prospectus filed with Stock Exchange in case of Fixed Price Issues and which may mention a price
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Applicant may refer to the Prospectus
Equity Shares	Equity shares of the Issuer
FCNR Account	Foreign Currency Non-Resident Account
First Applicant	The Applicant whose name appears first in the Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India



<b>Term</b>	<b>Description</b>
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer in consultation with the Lead Manager(s)
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Application Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Application Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Issue	The Issue less reservation portion
Non-Institutional Investors or NIIs	All Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Applied for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the Prospectus and the Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs, FPIs and FVCIs



Term	Description
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalize the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 32 of the Companies Act, 2013 read with section 26 of Companies Act 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTA	Registrar to the Issue and Share Transfer Agent
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the Prospectus and Application Form
Reserved Category/ Categories	Categories of persons eligible for making application/bidding under reservation portion
Reservation Portion	The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Applicant in an issue to modify the quantity of Equity Shares indicates therein in any of their Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies



<b>Term</b>	<b>Description</b>
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on <a href="http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html">http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html</a>
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/ SE	The stock exchanges as disclosed in the Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of the Bids in this Issue (excluding Application from ASBA Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the Prospectus
Underwriters	The Lead Manager(s)
Underwriting Agreement	The agreement dated entered into between the Underwriters and our company.
Working Day	Any day, other than 2nd and 4th Saturday of the month, Sundays or public holidays, on which commercial banks in India are open for business, provided however, with reference to announcement Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India.





## **RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES**

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and 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. Foreign investment is allowed up to 100% under automatic route in our Company.

India's current Foreign Direct Investment ("FDI") Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GOI ("DIPP") by Consolidated FDI Policy Circular of 2015 with effect from May 12, 2015 ("Consolidated FDI Policy Circular of 2015") consolidates and subsumes all previous press notes, press releases and clarifications on FDI issued by the DIPP. The Government usually updates the consolidated circular on FDI Policy once every Year and therefore, Consolidated FDI Policy Circular of 2015 will be valid until the DIPP issues an updated circular.

### **Subscription by foreign investors (NRIs/FPIs)**

FPIs are permitted to subscribe to Equity Shares of an Indian Company in a public offer without the prior approval of the RBI, so long as the price of the Equity Shares to be issued is not less than the price at which the Equity Shares are issued to residents. SEBI registered FPIs have been permitted to purchase shares of an Indian company through offer, subject to total FPI investment being within the individual FPI/sub account investment limit of 10 per cent subject to the total sectoral cap of all FPIs/sub-accounts put together being 24 per cent of the paid-up capital of the Indian company.

The transfer of shares between an Indian resident and a Non-resident does not require prior approval of FIPB or RBI, subject to fulfillment of certain conditions as specified by DIPP / RBI, from time to time. Such conditions include (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Investors are advised to refer to the exact text of the relevant statutory provisions of law before investing and / or subsequent purchase or sale transaction in the Equity Shares of Our Company.

### **Representation from the Applicants**

No person shall make an Application in the Issue, unless such person is eligible to acquire Equity Shares of our Company in accordance with applicable laws, rules, regulations, guidelines and approvals.

Investors that make Application under the Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters, and their respective directors, officers, agents, affiliates and representatives, as applicable, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives, as applicable, accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

There is no reservation for Non Residents, NRIs, FPIs, foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor. All Non Residents, NRIs, FPIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs also cannot participate in any Public Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S promulgated under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to,



***Aurangabad Distillery Limited***

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the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

Our Company, LM and the Issue Management Team are not making any selling efforts in any jurisdiction outside India.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. The Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.



## **SECTION VIII - MAIN PROVISIONS OF ARTICLES OF ASSOCIATION OF OUR COMPANY**

Pursuant to Schedule I of the Companies Act, and the SEBI ICDR Regulations, the Main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and Transmission of equity shares or debentures, their consolidation or splitting are as provided below. Each provision below is numbered as per the corresponding article number in the articles of association and defined terms herein have the meaning given to them in the Articles of Association.

ARTICLE NO.	INTERPRETATION	HEADING
1.	In these Articles unless there be something in the subject matter or context inconsistent therewith:	
	i. <b>“The Act”</b> means the Companies Act, 2013 and the applicable provisions of the Companies Act, 1956 and includes any statutory modification or re-enactment thereof for the time being in force.	<b>The Act</b>
	ii. <b>“Articles”</b> means Articles of Association of the Company as originally framed or altered from time to time	<b>Articles</b>
	iii. <b>“Beneficial Owner”</b> shall have the meaning assigned thereto by Section 2(1) (a) of the Depositories Act, 1996.	<b>Beneficial Owner</b>
	iv. <b>“Board or Board of Director”</b> means the Collective body of the Board of Directors of the Company.	<b>Board or Board of Directors</b>
	v. <b>“Chairman”</b> means the Chairman of the Board of the Directors of the Company.	<b>Chairman</b>
	vi. <b>“The Company”</b> means Aurangabad Distillery Limited	<b>The Company</b>
	vii. <b>“Depositories Act, 1996”</b> shall mean Depositories Act, 1996 and include any Statutory modification or re-enactment thereof for the time being in force.	<b>Depositories Act, 1996</b>
	viii. <b>“Depository”</b> shall have the meaning assigned thereto by Section 2 (1) (e) of the Depositories Act, 1996.	<b>Depository</b>
	ix. <b>“Directors”</b> means the Directors appointed to the board for the time being of the Company.	<b>Directors</b>
	x. <b>“Dividend”</b> includes any interim dividend	<b>Dividend</b>
	xi. <b>“Document”</b> means a document as defined in Section 2 (36) of the Companies Act, 2013.	<b>Document</b>
	xii. <b>“Equity Share Capital”</b> , with reference to any Company limited by shares, means all share capital which is not preference share capital	<b>Equity Share Capital</b>
	xiii. <b>“KMP”</b> means Key Managerial Personnel of the Company provided as per the relevant sections of the Act.	<b>KMP</b>
	xiv. <b>“Managing Director”</b> 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.	<b>Managing Director</b>
	xv. <b>“Month”</b> means Calendar month	<b>Month</b>
	xvi. <b>“Office”</b> means the registered office for the time being of the Company.	<b>Office</b>
	xvii. <b>“Paid-up share capital”</b> 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	<b>Paid-up share Capital</b>
	xviii. <b>“Postal Ballot”</b> means voting by post or through any electronic mode	<b>Postal Ballot</b>
	xix. <b>“Proxy”</b> includes attorney duly constituted under the power of attorney to vote for a member at a General Meeting of the Company on poll.	<b>Proxy</b>
	xx. <b>“Public Holiday”</b> means a Public Holiday within the meaning of the Negotiable Instruments Act, 1881 (XXVI of 1881); provided that no day declared by the Central	<b>Public Holiday</b>



	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. <b>“Registrar”</b> 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.	<b>Registrar</b>
	xxii. <b>“Rules”</b> means the applicable rules as prescribed under the relevant sections of the Act for time being in force	<b>Rules</b>
	xxiii. <b>“SEBI”</b> means Securities & Exchange Board of India established under Section 3 of the Securities & Exchange Board of India Act, 1992.	<b>SEBI</b>
	xxiv. <b>“Securities”</b> means the securities as defined in clause (h) of Section 2 of the Securities Contracts (Regulation) Act, 1956 (42 of 1956)	<b>Securities</b>
	xxv. <b>“Share”</b> means share in the Share Capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.	<b>Share</b>
	xxvi. <b>“Seal”</b> means the common seal of the Company.	<b>Seal</b>
	xxvii. <b>“Preference Share Capital”</b> , 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;	<b>Preference Share Capital</b>
	Words imparting the plural number also include, where the context requires or admits, the singular number, and vice versa. Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.  ‘In writing’ and ‘written’ includes printing, lithography and other modes of representing or reproducing words in a visible form.	
2.	The Authorized Share Capital of the Company shall be such amount and be divided into such shares as may from time to time be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital and divide the shares in the capital of the Company (including Preferential Share Capital, if any) and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions as may be determined in accordance with these presents and to modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be permitted by the said Act.	<b>Share Capital</b>
3.	Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit. Further provided that the option or right to call of shares shall not be given to any person except with the sanction of the Company in general meeting.	
4.	Subject to provisions of Section 54 of the Act read with Companies (Share Capital and Debentures) Rules, 2014, and any other applicable provisions of the Act or any law for the time being in force, the Company may issue Sweat Equity Shares on such terms and in such manner as the Board may determine.	<b>Issue of Sweat Equity Shares</b>



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 into or allotment of shares shall be issued only with the consent of the company in the General Meeting by a Special Resolution.	<b>Issue of Debentures</b>
6.	<p>i. Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for registration of transfer of transmission or within such other period as the conditions of issue shall be provided,—</p> <p>a. one certificate for all his shares without payment of any charges; or</p> <p>b. several certificates, each for one or more of his shares, upon payment of Rupees twenty for each certificate after the first</p> <p>ii. The Company agrees to issue certificate within fifteen days of the date of lodgement of transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies or to issue within fifteen days of such lodgement for transfer, Pucca Transfer Receipts in denominations corresponding to the market units of trading autographically signed by a responsible official of the Company and bearing an endorsement that the transfer has been duly approved by the Directors or that no such approval is necessary;</p> <p>iii. Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>iv. In respect of any share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.</p>	<b>Issue of Share Certificates Issue of Share Certificates</b>
7.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty Rupees for each certificate.	
8.	Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.	
9.	The provisions of these Articles relating to issue of Certificates shall mutatis mutandis apply to any other securities including Debentures (except where the Act otherwise requires) of the Company.	



10.	<p>i. The Company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>ii. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>iii. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>	<b>Power to pay Commission in connection with the Securities issued</b>
11.	<p>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.</p> <p>ii. To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>	<b>Variations of Shareholder's rights</b>
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.	
13.	Subject to the provisions of section 55 and 62, any preference shares may with the sanction of ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine	<b>Issue of Preference Shares</b>
14.	<p>(1) Where at any time Company having Share Capital proposes to increase its subscribed capital by the issue of further Shares, such shares shall be offered:</p> <p>(a) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the conditions specified in the relevant provisions of Section 62 of the Act.</p> <p>(b) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such other conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(c) to any persons, if it is authorized by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed under the relevant rules of Section 62.</p> <p>(2) The notice shall be dispatched through registered post or speed post or through electronic mode to all the existing shareholders at least three days before the opening of the issue.</p> <p>(3) Nothing in this Article shall apply to the increase of the subscribed capital of company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company:</p>	<b>Further Issue of shares</b>



	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.	
15.	<p>i. The Company shall have a first and paramount lien—</p> <ol style="list-style-type: none"> <li>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 or</li> <li>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.</li> <li>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 fixed time in respect of such shares; and</li> </ol> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>ii. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>	<b>Lien</b>
16.	<p>The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:</p> <p>Provided that no sale shall be made—</p> <ol style="list-style-type: none"> <li>unless a sum in respect of which the lien exists is presently payable; or</li> <li>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.</li> </ol>	
17.	<ol style="list-style-type: none"> <li>To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.</li> <li>The purchaser shall be registered as the holder of the shares comprised in any such transfer.</li> <li>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.</li> </ol>	
18.	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	
19.	<p>Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:-</p> <ol style="list-style-type: none"> <li>The Company shall at its discretion, be entitled to decline to register more than three persons as the joint-holders of any share.</li> <li>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.</li> <li>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</li> </ol>	<b>Joint Holdings</b>





	<p>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.</p> <p>d) Any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share.</p> <p>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.</p> <p>f)</p> <p>(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.</p> <p>(ii) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this Clause be deemed as Joint-Holders.</p> <p>g) The provisions of these Articles relating to joint-holding of shares shall mutatis mutandis apply to any other securities including Debentures of the company registered in Joint-names.</p>	
20.	<p>i. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one fourth of the nominal value of the shares or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>ii. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.</p> <p>iii. A call may be revoked or postponed at the discretion of the Board.</p>	<b>Calls on shares</b>
21.	A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.	
22.	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.	
23.	<p>i. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.</p> <p>ii. The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>	



24.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture</li> <li>iii. or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</li> </ul>	
25.	<p>The Board—</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> </ul>	
26.	<p>Any uncalled amount paid in advance shall not in any manner entitle the member so advancing the amount, to any dividend or participation in profit or voting right on such amount remaining to be called, until such amount has been duly called-up.</p> <p>Provided however that any amount paid to the extent called – up, shall be entitled to proportionate dividend and voting right.</p>	
27.	The Board may at its discretion, extend the time fixed for the payment of any call in respect of any one or more members as the Board may deem appropriate in any circumstances.	
28.	The provisions of these Articles relating to call on shares shall mutatis mutandis apply to any other securities including debentures of the company.	
29.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. Each share in the Company shall be distinguished by its appropriate number.</li> <li>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.</li> </ul>	
30.	<ul style="list-style-type: none"> <li>i. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.</li> <li>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.</li> </ul>	
31.	<p>The Board may, subject to the right of appeal conferred by section 58 of Companies Act, 2013 and Section 22A of the Securities Contracts (Regulation) Act, 1956, decline to register, by giving notice of intimation of such refusal to the transferor and transferee within timelines as specified under the Act-</p> <ul style="list-style-type: none"> <li>i. the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or</li> <li>ii. any transfer of shares on which the Company has a lien.</li> <li>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.</li> </ul>	<b>Transfer of shares</b>



32.	<p>The Board shall decline to recognise any instrument of transfer unless—</p> <ul style="list-style-type: none"> <li>i. the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;</li> <li>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.</li> </ul> <p>Provided that, transfer of shares in whatever lot shall not be refused.</p> <ul style="list-style-type: none"> <li>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),</li> <li>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;</li> <li>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.</li> </ul>	
33.	The Company agrees that in respect of transfer of shares where the Company has not effected transfer of shares within 1 month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of 1 month, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay.	
34.	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>	
35.	The provisions of these Articles relating to transfer of Shares shall mutatis mutandis apply to any other securities including debentures of the company.	
36.	The Company shall keep a book to be called the "Register of Transfers" and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of any shares.	<b>Register of Transfers</b>
37.	<ul style="list-style-type: none"> <li>i. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Article of these Articles. <ul style="list-style-type: none"> <li>a. The Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depository Act, 1996.</li> <li>b. Option for Investors:</li> </ul> </li> </ul> <p>Every holder of or subscriber to securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the Securities can at any time opt out of a Depository, if permitted, by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificates for the Securities.</p>	<b>Dematerialisation of Securities</b>



	<p>If a person opts to hold its Security with a Depository, the Company shall intimate such depository the details of allotment of the Security</p> <p>c. Securities in Depository to be in fungible form:-</p> <ul style="list-style-type: none"> <li>• All Securities of the Company held by the Depository shall be dematerialised and be in fungible form.</li> <li>• Nothing contained in Sections 88, 89, 112 &amp; 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.</li> </ul> <p>d. Rights of Depositories &amp; 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.</p> <p>e. Save as otherwise provided in (d) above, the depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.</p> <p>f. Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a depository.</p> <p>ii. Notwithstanding anything contained in the Act to the contrary, where Securities of the Company are held in a depository, the records of the beneficial ownership may be served by such depository to the Company by means of electronic mode or by delivery of floppies or discs.</p> <p>iii. Nothing contained in Section 56 of the Companies Act, 2013 shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.</p> <p>iv. Notwithstanding anything contained in the Act, where Securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.</p> <p>v. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.</p> <p>vi. The Company shall cause to be kept at its Registered Office or at such other place as may be decided, Register and Index of Members in accordance with Section 88 and other applicable provisions of the Companies Act 2013 and the Depositories Act, 1996 with the details of Shares held in physical and dematerialised forms in any media as may be permitted by law including in any form of electronic media.</p> <p>vii. The Register and Index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, shall be deemed to be the Register and Index of Members for the purpose of this Act. The Company shall have the power to keep in any state or country outside India, a Register of Members for</p>	
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	the residents in that state or Country.	
38.	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<b>Transmission of shares</b>
39.	<ul style="list-style-type: none"> <li>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— <ul style="list-style-type: none"> <li>a. to be registered himself as holder of the share; or</li> <li>b. to make such transfer of the share as the deceased or insolvent member could have made.</li> </ul> </li> <li>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.</li> </ul>	
40.	<ul style="list-style-type: none"> <li>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.</li> <li>ii. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</li> <li>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.</li> </ul>	
41.	<p>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:</p> <p>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.</p>	
42.	<p>The provisions of these Articles relating to transmission of shares shall mutatis mutandis apply to any other securities including debentures of the Company.</p> <p>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.</p>	
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.	<b>Forfeiture of shares</b>
44.	<p>The notice aforesaid shall—</p> <ul style="list-style-type: none"> <li>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</li> </ul>	



	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.	
52.	The Board may, subject to the provision of the Act, accept a surrender of any share from or by any member desirous of surrendering them on such terms as they think fit.	
53.	The Provisions of these regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.	
54.	The provisions of these articles relating to forfeiture of shares shall mutatis mutandis apply to any other securities including debentures of the Company.	



55.	Neither a judgment in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction there under nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from proceeding to enforce forfeiture of such shares as hereinafter provided.	<b>Initial payment not to preclude forfeiture</b>
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.	<b>Alteration of capital</b>
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.	<b>Conversion of Shares into Stock</b>
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.	<b>Reduction of Capital</b>
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	<b>Share Warrants</b>





	<p>Company and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two days from the time of deposit, as if his name were inserted in the register of members as the holder of the shares including in the deposited warrants.</p> <p>Not more than one person shall be recognized as depositor of the share warrant.</p> <p>The Company shall, on two days written notice, return the deposited share warrants to the depositor.</p> <p>Subject herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a member of the Company or attend or vote or exercise any other privilege of a member at a meeting of the Company, or be entitled to receive any notice from the Company.</p> <p>The bearer of share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the register of members as the holders of shares included in the warrant, and he shall be a member of the Company.</p> <p>The Board may from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant of coupon may be issued by way of renewal in case of defacement, loss or destruction.</p>	
61.	<p>i. The Company in general meeting may, upon the recommendation of the Board, resolve—</p> <ol style="list-style-type: none"> <li>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</li> <li>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.</li> </ol> <p>ii. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—</p> <ol style="list-style-type: none"> <li>paying up any amounts for the time being unpaid on any shares held by such members respectively;</li> <li>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;</li> <li>partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</li> <li>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;</li> <li>The Board shall give effect to the resolution passed by the Company in pursuance of this -regulation.</li> </ol>	<b>Capitalisation of profits</b>
62.	<p>i. Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <ol style="list-style-type: none"> <li>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</li> <li>generally to do all acts and things required to give effect thereto.</li> </ol> <p>ii. The Board shall have power—</p> <ol style="list-style-type: none"> <li>to make such provisions, by the issue of fractional certificates or by</li> </ol>	



	<p>payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable fractions; and</p> <p>b. to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>iii. Any agreement made under such authority shall be effective and binding on such members.</p>	
63.	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.	<b>Buy-back of shares</b>
64.	All General Meetings other than annual general meeting shall be called extra-ordinary general meetings.	<b>General Meeting</b>
65.	<p>i. The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>ii. The General meeting including Annual general meeting shall be convened by giving notice of clear 21 days in advance as per section 101 of Companies Act 2013. The directors if they think fit may convene a General Meeting including Annual General Meeting of the company by giving a notice thereof being not less than three days if consent is given in writing or by electronic mode by not less than ninety-five per cent. of the members entitled to vote at such meeting.</p> <p>iii. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>	
66.	<p>i. No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>ii.</p> <p>i. Unless the number of members as on date of meeting are not more than one thousand, five members personally present shall be the quorum for a general meeting of the Company.</p> <p>ii. In any other case, the quorum shall be decided as under:</p> <p>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;</p> <p>b) thirty members personally present if the number of members as on the date of the meeting exceeds five thousand;</p>	<b>Proceedings at general meetings</b>
67.	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the Company.	
68.	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.	
69.	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.	



70.	The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.	
71.	A declaration by the Chairman in pursuance of Section 107 of the Companies Act, 2013 that on a show of hands, a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.	
72.	<p>i. Before or on the declaration of the result of the voting on any resolution of a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five Lac rupees has been paid up.</p> <p>ii. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.</p>	<b>Demand for poll</b>
73.	<p>i. A poll demanded on a question of adjournment shall be taken forthwith.</p> <p>ii. A poll demanded on any other question (not being a question relating to the election of a Chairman which is provided for in Section 104 of the Act) shall be taken at such time not being later than 48 (forty eight) hours from the time when the demand was made, as the Chairman may direct.</p>	<b>Time of taking poll</b>
74.	<p>i. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>ii. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>iii. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>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.</p>	<b>Adjournment of meeting</b>
75.	<p>Subject to any rights or restrictions for the time being attached to any class or classes of shares,—</p> <p>i. on a show of hands, every member present in person shall have one vote; and</p> <p>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.</p>	
76.	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.	
77.	<p>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.</p> <p>ii. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.</p>	<b>Voting rights</b>
78.	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.	
79.	Subject to the provisions of the Act and other provisions of these Articles, any person entitled under the transmission clause to any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares, provided that at least 48 (forty eight) hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote, he shall satisfy the Directors of his right to	



	such shares unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.	
80.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.	
81.	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.	
82.	i. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. ii. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive	
83.	No member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.	
84.	In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the polls is demanded shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member.	<b>Casting Vote</b>
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.	<b>Representation of Body Corporate</b>
86.	The Company shall comply with provisions of Section 111 of the Companies Act, 2013, relating to circulation of member's resolution.	<b>Circulation of member's resolution</b>
87.	The Company shall comply with provisions of Section 115 of the Act relating to resolution requiring special notice.	<b>Resolution requiring special notice</b>
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.	<b>Resolutions passed at adjourned meeting</b>
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.	<b>Registration of resolutions and agreements</b>
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	<b>Minutes of proceedings of general meeting and of Board and other meetings</b>



	<p>days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.</p> <p>C. In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.</p> <p>D. The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.</p> <p>E. All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.</p> <p>F. In the case of a meeting of the Board of Directors or of a Committee of the Board, the minutes shall also contain:</p> <ol style="list-style-type: none"> <li>the names of the Directors present at the meetings, and</li> <li>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.</li> </ol> <p>iii. Nothing contained in Clauses (a) to (d) hereof shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting:</p> <ol style="list-style-type: none"> <li>is or could reasonably be regarded, as defamatory of any person</li> <li>is irrelevant or immaterial to the proceedings; or</li> <li>in detrimental to the interests of the Company.</li> </ol> <p>iv. The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this clause.</p>	
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.	<b>Minutes to be considered to be evidence</b>
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.	<b>Publication of reports of proceeding of general meetings</b>
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.	<b>Proxy</b>
94.	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.	
95.	<p>A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:</p> <p>Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.</p>	
96.	<p>The first directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>Mr. Sadharam Patladhamal Wadhwani</li> <li>Mr. Manoj Sadharam Wadhwani</li> <li>Mrs. Kiran Sanjay Wadhwani</li> </ol>	<b>Board of Directors</b>



	<p>The present directors of the Company shall be:</p> <ol style="list-style-type: none"> <li>1. Mr. Dharampal Kimatram Kalani</li> <li>2. Mr. Amardeep Singh Trilok Singh Sethi</li> <li>3. Mr. Kanyalal Kimatram Kalani</li> <li>4. Mr. Jagjitkaur Amardeep Singh Sethi</li> </ol>	
97.	The Directors need not hold any “Qualification Share(s)”.	
98.	<p>Appointment of Senior Executive as a Whole Time Director Subject to the provisions of the Act and within the overall limit prescribed under these Articles for the number of Directors on the Board, the Board may appoint any persons as a Whole Time Director of the Company for such a period and upon such terms and conditions as the Board may decide. The Senior Executive so appointed shall be governed by the following provisions:</p> <p>He shall be liable to retire by rotation as provided in the Act but shall be eligible for re-appointment. His re-appointment as a Director shall not constitute a break in his appointment as Whole Time Director. He shall be reckoned as Director for the purpose of determining and fixing the number of Directors to retire by rotation. He shall cease to be a Director of the Company on the happening of any event specified in Section 164 of the Act. Subject to what is stated herein above, he shall carry out and perform all such duties and responsibilities as may, from time to time, be conferred upon or entrusted to him by Managing Director(s) and / or the Board, shall exercise such powers and authorities subject to such restrictions and conditions and / or stipulations as the Managing Director(s) and /or the Board may, from time to time determine.</p> <p>Nothing contained in this Article shall be deemed to restrict or prevent the right of the Board to revoke, withdraw, alter, vary or modify all or any such powers, authorities, duties and responsibilities conferred upon or vested in or entrusted to such whole time directors.</p>	
99.	<ol style="list-style-type: none"> <li>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.</li> <li>ii. In addition to the remuneration payable to them in pursuance of the Act, the directors -may be paid all travelling, hotel and other expenses properly incurred by them— <ol style="list-style-type: none"> <li>a. in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or</li> <li>b. in connection with the business of the company</li> </ol> </li> </ol>	
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.	<ol style="list-style-type: none"> <li>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.</li> <li>ii. Such person shall hold office only up to the date of the next annual general meeting</li> </ol>	





	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.	
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.	<b>Retirement and Rotation of Directors</b>
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.	
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 wholtime or non-wholtime (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.	<b>Nominee Director</b>
112.	The terms and conditions of appointment of a Nominee Director/s shall be governed by the agreement that may be entered into or agreed with mutual consent with such Corporation. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by rotation of Directors.	
113.	The Nominee Directors so appointed shall hold the said office only so long as any money only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation holds Shares or Debentures in the Company as a result of direct subscription or private placement or the liability of the Company arising out of any Guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall ipso facto vacate such office immediately, if the moneys owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold debentures/shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.	





114.	<p>The Nominee Directors appointed under this Article shall be entitled to receive all notices of and attend all General Meetings, Board Meetings and/or the Meetings of the Committee of which the Nominee Director/s is/are members as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes. The Company shall pay to the Nominee Director/s sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission monies or remuneration in any form is payable to the Directors of the Company, the fees, commission, monies and remuneration in relation to such Nominee Directors shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or by such Nominee Directors in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or as the case may be to such Nominee Directors.</p> <p>Provided that if any such Nominee Directors is an Officer of the Financial Institution, the sitting fees in relation to such Nominee Directors shall also accrue to the Financial Institution as the case may be and the same shall accordingly be paid by the Company directly to the Corporation.</p>	
115.	<p>Provided also that in the event of the Nominee Directors being appointed as Wholetime 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.</p>	
116.	<p>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.</p>	<b>Removal of Directors</b>
117.	<p>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.</p>	
118.	<p>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.</p>	
119.	<p>Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company and requests its notification to members of the Company, the Company shall, if the time permits it to do so-,</p> <ul style="list-style-type: none"> <li>(a) in any notice of the resolution given to members of the Company state the fact of the representations having been made, and</li> <li>(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:</li> </ul> <p>Provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the company or of any other person who claims to be aggrieved, the Tribunal is satisfied that the rights conferred by this sub-section are being abused to secure needless publicity for defamatory matter; and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.</p>	
120.	<p>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,</p>	



	provided special notice of the intended appointment has been given as prescribed in the Act.	
121.	A director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.	
122.	If the vacancy is not filled under clause (5) above , it may be filled as a casual vacancy in accordance with the provisions of this Act:  Provided that the director who was removed from office shall not be reappointed as a director by the Board of Directors.	
123.	Nothing in this section shall be taken- a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or b) as derogating from any power to remove a director under other provisions of this Act.	
124.	Subject to provisions of the Act, the Directors including Managing or whole time Directors shall be entitled to and shall be paid such remuneration as may be fixed by the Board of Directors from time to time in recognition of the services rendered by them for the company.  In addition to the remuneration payable to the Directors as above, they may be paid all travelling, hotel and other expenses incurred by them. a. In attending and returning from meetings of the Board of Directors and committee thereof, all General Meetings of the company and any of their adjourned sittings, or b. In connection with the business of the Company.	<b>Remuneration and sitting fees to Directors including Managing and whole time Directors</b>
125.	Each Director shall be entitled to be paid out of the funds of the Company by way of sitting fees for his services not exceeding the sum of Rs. 1,00,000/- ( Rupees One Lac) as may be fixed by Directors from time to time for every meeting of the Board of Directors and/ or committee thereof attended by him in addition to any remuneration paid to them. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for the purpose of the Company then subject to Section 196, 197 & 198, read with Schedule V of the Act, the Board may remunerate such Directors either by a fixed sum or by a percentage of profit or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	
126.	i. Without derogating from the powers vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at meetings of the Board.  a. The power to make calls on shareholders in respect of money unpaid on their shares; b. The Power to authorize buy-back of securities under Section 68 of the Act. c. Power to issue securities, including debenture, whether in or outside India d. The power to borrow moneys e. The power to invest the funds of the Company, f. Power to Grant loans or give guarantee or provide security in respect of loans g. Power to approve financial statements and the Board's Report h. Power to diversify the business of the Company i. Power to approve amalgamation, merger or reconstruction	<b>Powers and duties of Directors:</b>  <b>Certain powers to be exercised by the Board only at meeting.</b>



	<ul style="list-style-type: none"> <li>j. Power to take over a Company or acquire a controlling or substantial stake in another Company</li> <li>k. Powers to make political contributions;</li> <li>l. Powers to appoint or remove key managerial personnel (KMP);</li> <li>m. Powers to take note of appointment(s) or removal(s) of one level below the Key Management Personnel;</li> <li>n. Powers to appoint internal auditors and secretarial auditor;</li> <li>o. Powers to take note of the disclosure of director's interest and shareholding;</li> <li>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;</li> <li>q. Powers to invite or accept or renew public deposits and related matters;</li> <li>r. Powers to review or change the terms and conditions of public deposit;</li> <li>s. Powers to approve quarterly, half yearly and annual financial statements or financial results as the case may be.</li> </ul> <p>Provided that the Board may by resolution passed at the meeting, delegate to any Committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a branch office of the Company, a principal officer of the branch office, the powers specified in sub-clauses (d), (e) and (f) to the extent specified in clauses (ii), (iii) and (iv) respectively on such condition as the Board may prescribe.</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> <li>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.</li> </ul>	
127.	<ul style="list-style-type: none"> <li>i. The Board of Directors of the Company shall not except with the consent of the Company in general meeting : <ul style="list-style-type: none"> <li>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;</li> <li>b) remit, or give time for the repayment of any debt, due by a Director;</li> <li>c) invest, otherwise than in trust securities, the amount of compensation received by it as a result of any merger or amalgamation;</li> <li>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</li> <li>e) contribute to <i>bona fide</i> charitable and other funds, aggregate of which ill</li> </ul> </li> </ul>	<b>Restriction on powers of Board</b>



	<p>in any financial year, exceed five percent of its average net profits during the three financial years, immediately proceedings.</p> <p>ii. Nothing contained in sub-clause (a) above shall affect:</p> <p>a) the title of a buyer or other person who buys or takes a lease of any such undertaking as is referred to in that sub-clause in good faith and after exercising due care and caution, or</p> <p>b) the selling or leasing of any property of the Company where the ordinary business of the Company consists of, or comprises such selling or leasing.</p> <p>iii. Any resolution passed by the Company permitting any transaction such as is referred to in sub-clause (i) (a) above, may attach such conditions to the permission as may be specified in the resolution, including conditions regarding the use, disposal or investment of the sale proceeds which may result from the transaction. Provided that this clause shall not be deemed to authorise the Company to effect any reduction in its capital except in accordance with the provisions contained in that behalf in the Act.</p> <p>iv. No debt incurred by the Company in excess of the limit imposed by sub-clause (d) of clause (i) above, shall be valid or effectual, unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by that clause had been exceeded.</p>	
128.	Due regard and compliance shall be observed in regard to matters dealt with by or in the Explanation contained in Section 180 of the Companies Act, 2013 and in regard to the limitations on the power of the Company contained in Section 182 of the Companies Act, 2013.	
129.	Subject to the provisions of the Act, the management of the business of the Company shall be vested in the Directors and the Directors may exercise all such powers and do all such acts and things as the Company is by the Memorandum of Association or otherwise authorised to exercise and do and not hereby or by the statue or otherwise directed or required to be exercised or done by the Company in General Meeting, but subject nevertheless to the provisions of the Act and other Act and of the Memorandum of Association and these Articles and to any regulations, not being inconsistent with the Memorandum of Association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.	<b>General powers of the Company vested in Directors</b>
130.	<p>Without prejudice to the general powers conferred by Article above and the other powers conferred by these presents and so as not in any way to limit any or all of those powers and subject to the provisions of the Act and these Articles, it is hereby expressly declared that the Directors shall have the following powers:</p> <p>i. to pay and charge to the capital account of the Company and interest lawfully payable thereon under the provisions of Sections 76 corresponding to Section 40 of the Companies Act, 2013;</p> <p>ii. to purchase or otherwise acquire any lands, buildings, machinery, premises, hereditaments, property effects, assets, rights, credits, royalties, bounties and goodwill of any person, firm or Company carrying on the business which this Company is authorised to carry on, at or for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or acquisition to accept such title as the Board may believe or may be</p>	<b>Specific powers given to Directors</b>



	<p>advised to be reasonable satisfactory;</p> <p>iii. to purchase, or take on lease for any term or terms of years, or otherwise acquire any mills or factories or any land or lands, with or without buildings and outhouses thereon, situate in any part of India, at such price or rent and under and subject to such terms and conditions as the Directors may think fit; and in any such purchase, lease or other acquisition to accept such title as the Directors may believe or may be advised to be reasonably satisfactory;</p> <p>iv. to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in cash or in shares, bonds, debentures, debenture stock or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bonds, debentures, debenture stock or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;</p> <p>v. To erect, construct, enlarge, improve, alter, maintain, pull down rebuilt or reconstruct any buildings, factories, offices, workshops or other structures, necessary or convenient for the purposes of the Company and to acquire lands for the purposes of the Company;</p> <p>vi. To let, mortgage, charge, sell or otherwise dispose of subject to the provisions of Section 180 of the Companies Act, 2013 any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions in all respects as they think fit and to accept payment or satisfaction for the same in cash or otherwise, as they may think fit;</p> <p>vii. To insure and keep insured against loss or damage by fire or otherwise, for such period and to such extent as they may think proper, all or any part of the building, machinery, goods, stores, produce and other moveable property of the Company either separately or co-jointly; also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power;</p> <p>viii. Subject to Section 179 of the Companies Act, 2013 to open accounts with any bank or bankers or with any Company, firm, or individual and to pay money into and draw money from any account from time to time as the Directors may think fit;</p> <p>ix. To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the properties of the Company and its unpaid capital for the time being or in such other manner as they may think fit;</p> <p>x. To attach to any shares to be issued as the consideration for any contract with or property acquired by the Company, or in payment for services rendered to the Company, such conditions, subject to the provisions of the Act, as to the transfer thereof as they may think fit;</p> <p>xi. To accept from any member on such terms and conditions as shall be agreed, a surrender of his shares or stock or any part thereof subject to the provisions of</p>	
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	<p>the Act;</p> <p>xii. To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for other purposes and to execute and do all such deeds and things as may be requisite in relation to any such trusts and to provide for the remuneration of such trustee or trustees;</p> <p>xiii. To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its Officers or otherwise concerning the affairs of the Company and also subject to the provisions of Section 180 of the Companies Act, 2013 to compound and allow time for payment or satisfaction of any debts due, or of any claims or demands by or against the Company;</p> <p>xiv. Subject to the provisions of Sections 180 of the Companies Act, 2013 to invest and deal with any of the moneys of the Company, not immediately required for the purpose thereof, upon such Shares, securities or investments (not being Shares in this Company) and in such manner as they may think fit, and from time to time to vary or realize such investments.</p> <p>xv. Subject to such sanction as may be necessary under the Act or these Articles, to give any Director, Officer, or other person employed by the Company, an interest in any particular business or transaction either by way of commission on the gross expenditure thereon or otherwise or a share in the general profits of the Company, and such interest, commission or share of profits shall be treated as part of the working expenses of the Company.</p> <p>xvi. To provide for the welfare of employees or ex-employees of the Company and their wives, widows, families, dependants or connections of such persons by building or contributing to the building of houses, dwelling, or chawls or by grants of money, pensions, allowances, gratuities, bonus or payments by creating and from time to time subscribing or contributing to provident and other funds, institutions, or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendances and other assistance as the Directors shall think fit;</p> <p>xvii. To establish and maintain or procure the establishment and maintenance of any contributory or non contributory pension or superannuation funds for the benefit of, and give or procure the giving of donations, gratuities, pensions, allowances or emoluments, to any persons who are or were at any time in the employment or services of the Company, or of any Company which is a subsidiary of the Company or is allied to or associated with the Company or with any such subsidiary Company, or who are or were at anytime Directors or officers of the Company or of any such other Company as aforesaid, and the wives, widows, families and dependants of any such persons and, also to establish and subsidize and subscribe to any institution, association, clubs or funds collected to be for the benefit of or to advance the interests and well being of the Company or of any such other Company as aforesaid, and make payments to or towards the insurance of any such person as aforesaid and do any of the matters aforesaid, either alone or in conjunction with any such other Company as aforesaid;</p>	
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	<p>xviii. To decide and allocate the expenditure on capital and revenue account either for the year or period or spread over the years.</p> <p>xix. To appoint and at their discretion to remove or suspend such Managers, Secretaries, Officers, Clerks, Agents and servants for permanent, temporary or special service as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments and require security in such instances and to such amounts as they may think fit, and from time to time to provide for the management and transactions of the affairs of the Company in any special locality in India in such manner as they may think fit. The provisions contained in the clause following shall be without prejudice to the general powers conferred by this clause.</p> <p>xx. At any time and from time to time by power of attorney to appoint any person or persons to be the Attorney or Attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as the Directors may from time to time think fit and any such appointment (if the Directors may think fit) be made in favour of any Company or the members, directors, nominees or managers of any Company or firm or otherwise in favour of any fluctuating body or person whether nominated, directly or indirectly by the Directors and such power of attorney may contain any such powers for the protection or convenience of persons dealing with such Attorneys as the Directors may think fit; and may contain powers enabling any such delegates or Attorneys as aforesaid to sub-delegate all or any of the powers, authorities, and discretion for the time being vested in them.</p> <p>xxi. To enter into all such negotiations, contracts and rescind and/or vary all such contracts and to execute and do all such acts, deeds, and things in the name of on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company;</p>	
131.	<p>a) Subject to the provisions of the Act and of these Articles the Board shall have power to appoint from time to time one or more Directors as Managing Director or Managing Directors and/or Whole-time Directors of the Company for a fixed term not exceeding five years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s)/Whole-time Director(s), such of the power hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such condition and subject to such restriction as it may determine, the remuneration of such Directors may be by way of monthly remuneration and/or fee for each meeting and/or participation in profits, or by any or all of those modes, or of any other mode not expressly prohibited by the Act.</p> <p>b) Subject to the approval of shareholders in their meeting, the managing director of the Company may be appointed and continue to hold the office of the chairman and managing director or Chief Executive officer of the Company at the same time.</p> <p>c) Subject to the provisions of Sections 197 &amp; 198 of the Act, the appointment and payment of remuneration to the above Director shall be subject to approval of the members in general meeting and of the Central Government.</p>	<p><b>MANAGING DIRECTORS</b></p> <p><b>Power to appoint Managing or Whole-time Directors</b></p>





132.	<p>a) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.</p> <p>b) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.</p>	<b>Proceedings of the Board</b>
133.	The quorum for meetings of Board/Committees shall be as provided in the Act or under the rules.	
134.	<p>a) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>b) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.</p>	
135.	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company, but for no other purpose.	
136.	The participation of directors in a meeting of the Board/ Committees may be either in person or through video conferencing or audio visual means or teleconferencing, as may be prescribed by the Rules or permitted under law.	
137.	<p>a) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.</p>	
138.	<p>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.</p> <p>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.</p>	<b>Delegation of Powers of Board to Committee</b>
139.	<p>a) A committee may elect a Chairperson of its meetings.</p> <p>b) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.</p>	
140.	<p>a) A committee may meet and adjourn as it thinks fit.</p> <p>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.</p>	
141.	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.	
142.	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held	
143.	<p>Subject to the provisions of the Act,—</p> <p>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</p>	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>



	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 .	
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.	<b>The Seal</b>
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, thinks fit. b) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.	
149.	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.	<b>Dividends and Reserve</b>
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.  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.	
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.	<b>Accounts</b>
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.	<b>Inspection of Statutory Documents of the Company</b>



160.	<p>a) The Company shall keep at its registered office a Register of charges and enter therein all charges and floating charges specifically affecting any property or assets of the Company or any of its undertakings giving in each case the details as prescribed under the provisions of the Act.</p> <p>b) The register of charges and instrument of charges, as per clause (i) above, shall be open for inspection during business hours—</p> <ol style="list-style-type: none"> <li>by any member or creditor without any payment of fees; or</li> <li>by any other person on payment of such fees as may be prescribed,</li> </ol> <p>Provided however, that any person willing to inspect the register of charges shall intimate to the Company at least 15 days in advance, expressing his willingness to inspect the register of charges, on the desired date.</p>	<b>Register of charges</b>
161.	<p>a) The first Auditor of the Company shall be appointed by the Board of Directors within 30 days from the date of registration of the Company and the Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting.</p> <p>b) Appointment of Auditors shall be governed by provisions of Companies Act 2013 and rules made there under.</p> <p>c) The remuneration of the Auditor shall be fixed by the Company in the Annual General Meeting or in such manner as the Company in the Annual General Meeting may determine. In case of an Auditor appointed by the Board his remuneration shall be fixed by the Board.</p> <p>d) The Board of Director may fill any casual vacancy in the office of the auditor and where any such vacancy continues, the remaining auditor, if any may act, but where such vacancy is caused by the resignation of the auditors and vacancy shall be filled up by the Company in General Meeting.</p>	<b>Audit</b>
162.	<p>Subject to the provisions of Chapter XX of the Act and rules made there under—</p> <ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>	<b>Winding up</b>
163.	<p>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—</p>	<b>Indemnity</b>
164.	<p>a) Every Director, Manager, Secretary, Trustee, Member or Debenture holder, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in or about the business of the company shall, if so required by the Board before entering upon their duties sign a declaration pledging themselves to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters which may come to their knowledge in the discharge of their duties except when required to do so by the Board or by any meeting or by a Court of Law and except so far as may be necessary in order to comply with any of the provisions in these presents.</p> <p>b) No member shall be entitled to visit or inspect any works of the Company,</p>	<b>Secrecy</b>



	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.	
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## **SECTION IX – OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than two years before the date of the Prospectus) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Prospectus, delivered to the Registrar of Companies Maharashtra, Mumbai or registration and also the documents for inspection referred to hereunder, may be inspected at the Corporate office of the Company from 11.00 a.m. to 5.00 p.m. on working days from the date of the Prospectus until the Issue Closing Date.

#### **Material Contracts**

1. Memorandum of Understanding dated June 28, 2016 and addendum dated September 16, 2016 between our Company and Hem Securities Limited as Lead Manager to the Issue.
2. Memorandum of Understanding dated June 27, 2016 executed between our Company and the Registrar to the Issue (Bigshare Services Private Limited)
3. Market Making Agreement dated June 28, 2016 and addendum dated September 16, 2016 between our Company, Lead Manager and Market Maker.
4. Banker to the Issue Agreement dated July 12, 2016 and addendum dated September 16, 2016 among our Company, Lead Manager, Banker to the Issue and the Registrar to the Issue.
5. Underwriting Agreement dated June 28, 2016 and addendum dated September 16, 2016 between our Company, Lead Manager and Underwriter.
6. Tripartite Agreement dated August 02, 2016 among CDSL, the Company and the Registrar to the Issue.
7. Tripartite Agreement dated August 11, 2016 among NDSL, the Company and the Registrar to the Issue.

#### **Material Documents**

1. Certificate of Incorporation dated August 03, 2000 issued by the Registrar of Companies, Maharashtra, Mumbai. Fresh Certificate of Incorporation dated June 07, 2016 issued by the Registrar of Companies, Maharashtra, Mumbai consequent upon Conversion of the Company to Public Company.
2. Certified copies of the Memorandum and Articles of Association of the Company as amended.
3. Agreement for Sale of distillery unit between Ashok Alcochem Limited, Anil Manilal Kadakia and Pankaj Manilal Kadakia and our Company dated June 17, 2005
4. Copy of the Board Resolution dated June 08, 2016 authorizing the Issue and other related matters.
5. Copy of Shareholder's Resolution dated June 13, 2016 authorizing the Issue and other related matters.
6. Copies of Audited Financial Statements of our Company for the years ended March 31, 2016, 2015, 2014, 2013 & 2012.
7. Peer Review Auditors Report dated June 27, 2016 on Restated Financial Statements of our Company for the years ended March 31, 2016, 2015, 2014, 2013 & 2012.
8. Copy of the Statement of Tax Benefits dated June 23, 2016 from the Statutory Auditor.
9. Consents of the Lead Manager, Legal Advisor to the Issue, Registrar to the Issue, Market Maker, Underwriter, Banker to the Issue, Statutory Auditor of the Company, Peer Review Auditor, Promoters of our Company, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Bankers to our Company, as referred to, in their respective capacities.



10. Copy of Certificate from the Peer Review Auditors of our Company, M/s S.S Rathie & Co., Chartered Accountants, dated June 27, 2016 regarding the Eligibility of the Issue.
11. Board Resolution dated June 29, 2016 for approval of Draft Prospectus, dated September 22, 2016 for approval of Prospectus
12. Due Diligence Certificate from Lead Manager dated June 29, 2016 filed with NSE and dated September 22, 2016 filed with SEBI.
13. Approval from NSE vide letter dated August 12, 2016 to use the name of NSE in this Prospectus for listing of Equity Shares on the SME Platform of the NSE.





**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Amardeepsingh Triloksingh Sethi**  
**Chairman & Whole Time Director**  
**DIN – 00097644**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Dharampal Kimatram Kalani**  
**Managing Director**  
**DIN – 00041021**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Kanyalal Kimatram Kalani**  
**Non Executive Director**  
**DIN – 00282182**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Jagjitkaur Amardeepsingh Sethi**  
**Non Executive Director**  
**DIN - 01825035**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Ashokchandra Dwarkadhish Dhish**  
**Non Executive Independent Director**  
**DIN – 07599607**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Karan Vallabh Yadav**  
**Non Executive Independent Director**  
**DIN – 07587347**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Gurnamsing Surendrasing Bhatiyani**  
**Non Executive Independent Director**  
**DIN – 02536636**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**





**DECLARATION**

We, the persons mentioned herein below, as Directors or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE DIRECTOR OF OUR COMPANY:**

Sd/-

**Prakash Madhavrao Sawant**  
**Additional Non Executive Independent Director**  
**DIN – 07618451**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the person mentioned herein below, as Company Secretary & Compliance Officer or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER OF OUR COMPANY:**

Sd/-

**Sheetal Jagetiya**  
**Company Secretary & Compliance Officer**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**



**DECLARATION**

We, the person mentioned herein below, as Chief Financial Officer or otherwise, as mentioned, certify that all relevant provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable, the guidelines issued by the Government of India and the regulations and guidelines issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with while issuing the Prospectus. No statement made in the Prospectus is contrary to the provisions of the Companies Act, 2013, the Companies Act, 1956, to the extent applicable and the Securities and Exchange Board of India Act, 1992, each as amended from time to time or the rules made there under or regulations and guidelines issued, as the case may be. We further certify that all the statements made in the Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY:**

Sd/-

**Uday Balwant hemade**  
**Chief Financial Officer**

**Place:- Walchandnagar, Pune**  
**Date:- 22.09.2016**