

**ABRIDGED LETTER OF OFFER CONTAINING SALIENT FEATURES OF THE LETTER OF OFFER
FOR THE ELIGIBLE EQUITY SHAREHOLDERS OF THE COMPANY ONLY**

This is an Abridged Letter of Offer containing salient features of the Letter of Offer dated January 18, 2023 (“Letter of Offer”), which is available on the websites of the Lead Manager, Registrar, our Company and the Stock Exchanges where the Equity Shares of our Company are listed, i.e., BSE Limited (“BSE”) and National Stock Exchange of India Limited (“NSE”) (the “Stock Exchanges”). You are encouraged to read greater details available in the Letter of Offer. The capitalised terms not specifically defined herein shall have the meaning ascribed to them in the Letter of Offer.

THIS ABRIDGED LETTER OF OFFER CONTAINS 14 PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.

Our Company has made available on the Registrar’s website : www.linkintime.co.in and the Company’s website at www.aarti-surfactants.com this Abridged Letter of Offer, along with the Rights Entitlement Letter and Application Form, to the Eligible Equity Shareholders. You may also download the Letter of Offer from the websites of the Lead Manager, the Company, the Securities and Exchange Board of India (“SEBI”), the Stock Exchange and the Registrar, i.e., www.fedsec.in, www.aarti-surfactants.com, www.sebi.gov.in, www.bseindia.com, www.nseindia.com and www.linkintime.co.in respectively. The Application Form is available on the website of our Lead Manager, Company, BSE and NSE. In accordance with Regulation 76 of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA. For details, please see “Making an Application through the ASBA process” on page 185 of the Letter of Offer.



AARTI SURFACTANTS LIMITED

Regd. Office: Plot Nos. 801, 801/23, GIDC Estate, Phase III, Vapi-396 195, District Valsad, Gujarat, India.

Contact Person: Priyanka Chaurasia, Company Secretary and Compliance Officer, **E-mail:** investors@aarti-surfactants.com;

Tel: +91 22 6797 6666; **Website:** www.aarti-surfactants.com; **Corporate Identification Number:** L24100GJ2018PLC102891

OUR PROMOTERS- Shri Parimal Has Mukhlal Desai and Shri Chandrakant Vallabhaji Gogri

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF AARTI SURFACTANTS LIMITED (THE “COMPANY” OR THE “ISSUER”) ONLY

DETAILS OF THE OFFER

| Type of Issue | Rights Issue Size (in number) | Rights Issue Size | Issue under SEBI (ICDR) Regulations |
|---------------|---|-------------------|--|
| Rights Issue | 8,92,291 (Eight Lakhs Ninety-Two Thousand Two Hundred and Ninety One) Equity Shares | ₹ 49,52,21,505/- | Chapter III of SEBI (ICDR) Regulations |

ISSUE DETAILS, LISTING AND PROCEDURE

ISSUE OF UPTO 8,92,291 PARTLY PAID-UP EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (“RIGHTS EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 555/- EACH PER RIGHTS EQUITY SHARE (INCLUDING PREMIUM OF ₹545/- PER EQUITY SHARE) (THE “ISSUE PRICE”), AGGREGATING UPTO ₹ 49,52,21,505/- @ ON A RIGHTS BASIS TO THE EXISTING EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 RIGHTS EQUITY SHARE(S) FOR EVERY 17 FULLY PAID-UP EQUITY SHARE(S) HELD BY THE EXISTING EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON JANUARY 17, 2023 (THE “ISSUE”). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS ₹ 555/- WHICH IS 55.5 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, PLEASE SEE THE SECTION TITLED “TERMS OF THE ISSUE” ON PAGE 183 OF THE LETTER OF OFFER.

@Assuming full subscription.

| Amount Payable per Right Equity Share | Face Value | Premium | Total |
|---|------------|------------|------------|
| On Application | 4 | 218 | 222 |
| On One or more subsequent Call(s) as determined by our Board at its sole discretion, from time to time* | 6 | 327 | 333 |
| Total | 10 | 545 | 555 |

* For further details on Payment Schedule, see “Terms of the Issue” on page 182 of the Letter of Offer.

Listing Details: The existing Equity Shares are listed on the Stock Exchanges. Our Company has received ‘In-Principle’ approvals from BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide its BSE letter bearing reference number DCS/RIGHT/CP/FIP/2970/2022-23 dated December 30, 2022 and from the NSE through letter bearing reference number NSE/LIST/33745 dated December 20, 2022. For the purpose of this Issue, the Designated Stock Exchange is BSE Limited.

Procedure: If you wish to know about processes and procedures applicable to a Rights Issue, you may refer to the section titled “*Terms of the Issue*” on page 182 of the Letter of Offer. You may download a copy of the Letter of Offer from the websites of our Company, SEBI, Stock Exchanges, Lead Manager and Registrar as stated above.

ELIGIBILITY FOR THE ISSUE

Our Company is a listed company, incorporated under Companies Act, 2013. The Equity Shares of our Company are presently listed on BSE and NSE. We are eligible to undertake the Issue in terms of Chapter III of the SEBI ICDR Regulations. Pursuant to Clause 3(b) of Part B of Schedule VI to the SEBI ICDR Regulations, our Company is required to make disclosures in accordance with Part B-1 of Schedule VI to the SEBI ICDR Regulations.

MINIMUM SUBSCRIPTION

As the object of the Issue does not involve financing of capital expenditure, and as our Promoter and Promoter Group, through their letter dated December 09, 2022 has confirmed their intention to subscribe to the full extent of their aggregate Rights Entitlements in the Issue and not to renounce their Rights Entitlements except to the extent of renunciation within the Promoter and Promoter Group. Accordingly, the minimum subscription criteria mentioned under the SEBI ICDR Regulations will not be applicable to the Issue. However, the Promoter and members of Promoter group have given their intention to subscribe to additional Rights Equity Shares, over and above their Rights Entitlements (including the unsubscribed portion in the Issue, if any) jointly or severally, subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations in order to achieve the minimum subscription of 90% of the Issue in accordance with Regulation 86 of the SEBI ICDR Regulations.

INDICATIVE TIMETABLE**

| | | | |
|--|-----------------------------|--|-----------------------------|
| Issue Opening Date | Wednesday, January 25, 2023 | Date of Allotment (on or about) | Monday, February 13, 2023 |
| Last date for on Market Renunciation[#] | Friday, January 27, 2023 | Initiation of refunds | Tuesday, February 14, 2023 |
| Issue Closing Date* | Friday, February 03, 2023 | Date of credit (on or about) | Thursday, February 16, 2023 |
| Finalising the basis of allotment with the Designated Stock Exchanges | Friday, February 10, 2023 | Date of listing (on or about) | Friday, February 17, 2023 |

***The above time table is indicative and does not constitute any obligation on our Company or Lead Manager*

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.

** Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (thirty) days from the Issue Opening Date.*

Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

NOTICE TO INVESTORS

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders and will dispatch through email and courier the Letter of Offer, this Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (**collectively the “Issue Material”**) only to Eligible Equity Shareholders who have a registered address in India or who have provided an Indian address to our Company. Further, the Letter of Offer will be provided, through email and courier, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and in each case who make a request in this regard. Investors can also access the Issue Material from the websites of the Registrar, our Company and the Stock Exchange. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who make a request in this regard.

The Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form.

NO OFFER IN THE UNITED STATES

The rights entitlements and the rights equity shares have not been and will not be registered under the United States securities act of 1933, as amended (the “US Securities Act”), or any U.S. State securities laws and may not be offered, sold, resold or otherwise transferred within the United States of America or the territories or possessions thereof (the “United States” or “U.S.”), except in a transaction exempt from the registration requirements of the securities act. The rights entitlements and the rights equity shares referred to in the Letter of Offer are being offered in India, but not in the United States. The offering to which the letter of offer relates is not, and under no circumstances is to be construed as, an offering of any rights equity shares or rights for sale in the United States or as a

solicitation therein of an offer to buy any of the said securities. Accordingly, this Abridged Letter of Offer / Letter of Offer and enclosed Application Form and Rights Entitlement Letters should not be forwarded to or transmitted in or into the United States at any time.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Rights Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Letter of Offer. Specific attention of the investors is invited to the section titled “*Risk Factors*” on page 23 of the Letter of Offer and “*Internal Risk Factors*” on page 5 of this Abridged Letter of Offer.

| | |
|---|--|
| Name of the Lead Manager and Contact Details | FEDEX SECURITIES PRIVATE LIMITED B7, 3 rd Floor, Jay Chambers, Dayaldas Road, Vile Parle East, Mumbai – 400057, Maharashtra, India. Tel. No.: +91 81049 85249; E-Mail: mb@fedsec.in Website: www.fedsec.in Contact Person: Radhika Maheshwari SEBI Reg. No.: INM000010163 Validity of registration: Permanent |
| Name of the Registrar to the Issue and Contact Details | PURVA SHAREGISTRY (INDIA) PRIVATE LIMITED 9, Shiv Shakti Industrial Estate, J. R. Boricha Marg, Near Lodha Excelus, Lower Parel (E), Mumbai – 400011, Maharashtra, India. Tel. No: + 91-22-2301 2518/6761 E-mail Id: support@purvashare.com Website: www.purvashare.com Contact Person: Deepali Dhuri SEBI Registration No: INR000001112 |
| Name of the Statutory Auditor | Gokhale & Sathe, Chartered Accountants |
| Self-Certified Syndicate Banks (“SCSBs”) | The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided at the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For details on Designated Branches of SCSBs collecting the Application Forms, refer to the website of the SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . On Allotment, the amount will be unblocked and the account will be debited only to the extent required to pay for the Rights Equity Shares Allotted. |
| Banker to the Issue | Axis Bank Limited Ground Floor, Neptune Uptown Building, N S Road, Mulund West, Mumbai, Maharashtra, India. Tel No: +91 91670 01081 Email Id: mulund.branchhead@axisbank.com Website: www.axisbank.com Contact Person: G Shankar SEBI Registration No.: INBI00000017 |

SUMMARY OF BUSINESS

Our Company is a manufacturer of ionic and non-ionic surfactants and primarily caters to the home and personal care industries. Our products find application in a host of consumer-centric home and personal care industries, including, inter alia, skin care, oral care, hair care, cosmetics, toiletries and detergent products and for industrial application. We believe that we offer to our customers a wide range of innovative, customization, eco-friendly and high-quality products. (Ionic surfactants are the surface-active agents containing cations or anions as in their formulations, whereas non-ionic surfactants are those that can be used with high salinity or hard water, and are compatible with other types, and are excellent candidates for complex mixtures with low toxicity level).

We have significantly expanded and diversified our product profile, client base and geographical footprint. Currently, our product portfolio comprises over 20 product grades, which are marketed to customers in over 13 countries, including India, North America, South America, South-East Asia and Europe. Our wide product portfolio comprises surfactants, mild surfactants, preservatives, pearlescing agent and blends, which finds application in diverse end use products. We also manufacture formulated blends as per customer specifications and ensure timely delivery by leveraging distribution network.

For further details, please see “*Our Business*” at page 76 of the Letter of Offer.

| DETAILS OF PROMOTERS | | | |
|----------------------|-----------------------------------|----------------------|---|
| Sr. No. | Name | Individual/Corporate | Experience & Educational Qualification |
| 1. | Shri Parimal Hasmukhlal Desai | Individual | Shri Parimal Hasmukhlal Desai, aged 73 years, holds 1,06,646 Equity Shares constituting 1.41% of our issued, subscribed and paid-up equity share capital. He is a chemical engineer from UDCT, Mumbai. He has more than 38 years of experience in development and project implementation in the chemical industry. |
| 2. | Shri Chandrakant Vallabhaji Gogri | Individual | Shri Chandrakant Vallabhaji Gogri aged 76 years is the Promoter and Non-Executive Director of our Company. As on the date of the letter of Offer, he holds, in aggregate, 302 Equity Shares, of our issued, subscribed and paid-up equity share capital of our Company. He holds a Bachelor of Engineering (Chem) degree from "Institute of Chemical Technology, Mumbai". He founded Aarti Industries as a modest manufacturing facility and aided in its evolution into the innovative Company it is today. He has superior expertise in the fields of chemical industry projects, operations, process development, and marketing. His ability and aptitude for finance assisted the Aarti Group through a crucial expansion period. He is the Chairman Emeritus of Speciality Chemical Leader Aarti Industries Limited. For his contributions to the Indian chemical industry, Shri Chandrakant V. Gogri has been awarded the prestigious "Distinguished Alumnus Award" from UDCT (ICT) in the year 1995 for excellent performance as Entrepreneurs in Chemical Industry along with receiving the renowned Lala Shriram National Award for leadership in the chemical industry in 2015 and the ICC's D.M. Trivedi Lifetime Achievement Award in 2019. |
| OBJECTS OF THE ISSUE | | | |

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

| Sr. No | Objects – Description | Amount (₹ in Lakhs) |
|--------|--------------------------------------|---------------------|
| 1. | To Meet Working Capital Requirements | 3720.00 |
| 2. | General Corporate Purposes* | 1182.22 |
| | Total | 4902.22 |

*The amount is subject to adjustment upon finalization of Issue related expenses, however, in no event, shall general corporate purposes exceed 25% of the Gross Proceeds.

Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment and to be adjusted per the Rights Entitlement ratio.

Means of Finance

Our Company proposes to meet the entire requirement of funds for the proposed objects of the Issue from the Net Proceeds. Accordingly, our Company confirms that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Interim use of Net Proceeds

Our Company, in accordance with the policies established by the Board, from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by our Board from time to time. Our Company confirms that it shall not use the Net Proceeds for any buying, trading, or otherwise dealing in the shares of any other listed company or for any investment in the equity markets or providing inter-corporate deposits to any related parties.

Additionally, in compliance with Regulation 66 of the SEBI ICDR Regulations, our Company confirms that it shall not use the Net Proceeds for financing or for providing loans to or for acquiring shares of any person who is part of the Promoter Group or Group Companies.

Monitoring Agency

Our Company is not required to appoint a monitoring agency for the purposes of this Issue. Our Board and Audit Committee shall monitor the utilization of the Net Proceeds. For more details, please refer to the chapter titled "*Objects of the Issue*" on page 56 of the Letter of Offer.

EQUITY SHAREHOLDING PATTERN OF THE COMPANY AS ON DATE OF THE LETTER OF OFFER

The statement of the shareholding pattern of our Company as on September 30, 2022, as included in the Letter of Offer is as follows:

| Category of Shareholder | Pre-Issue Number of Shares Held | Total as a % of Voting Rights |
|---------------------------------|---------------------------------|-------------------------------|
| (A) Promoter and Promoter Group | 34,16,095 | 45.04 |
| (b) Public | 41,68,382 | 54.96 |
| Grand Total | 75,84,477 | 100.00 |

For more details, please refer to the chapter titled “*Capital Structure*” on page 53 of the Letter of Offer.

DETAILS OF THE BOARD OF DIRECTORS OF THE COMPANY AS ON DATE OF THE LETTER OF OFFER

| Name and Designation | Other Directorships in Companies |
|--|---|
| Mulesh Manilal Savla Designation: Chairman and Non-Executive Independent Director | Private Companies: NIL Public Companies: 1. Valiant Organics Limited |
| Nikhil Parimal Desai Designation: Managing Director | Private Companies: 1. Nikhil Holdings Private Limited Public Companies: 1. Aarti HPC Limited 2. Sulochna and Nandini Welfare Foundation |
| Santosh Madhaorao Kakade Designation: Executive Director | Public Companies: 1. Aarti HPC Limited |
| Shri Chandrakant Vallabhaji Gogri Designation: Non-Executive Non-Independent Director | Private Companies: 1. Anushakti Enterprise Private Limited 2. Saswat Trusteeship Private Limited 3. Aarti Nature Care Private Limited 4. Parakh Hospitals Private Limited 5. Crystal Millennium Realtors Private Limited 6. KJF Shelters Foundation 7. KJF Manavta-Ni-Mahek Foundation Public Companies: 1. Alchemie Financial Services Limited. 2. Anushakti Chemicals and Drugs Limited |
| Dattatray Sidram Galpalli Designation: Non-Executive Non-Independent Director | Private Companies: NIL Public Companies: NIL |
| Misha Bharat Gala Designation: Non-Executive Independent Director | Public Companies: NIL Private Companies: NIL |

For more details, see the chapter titled “*Our Management*” on page 86 of the Letter of Offer.

NEITHER OUR COMPANY NOR OUR PROMOTERS OR ANY OF OUR DIRECTORS HAVE BEEN DECLARED AS A WILFUL DEFAULTER OR FRAUDULENT BORROWER OR FUGITIVE ECONOMIC OFFENDER AS DEFINED UNDER SEBI ICDR REGULATIONS OR BY THE RESERVE BANK OF INDIA OR ANY OTHER GOVERNMENT AUTHORITY.

FINANCIAL INFORMATION

A summary of the Restated Financial Information of our Company as at March 31, 2022, March 31, 2021 and March 31, 2020 and Consolidated unaudited financial results for the quarter ended on September 30, 2022 are set out below:

(₹ in lakhs)

| Particulars | For the period ended September 30, 2022 [^] | FY 2021-22* | FY 2020-21* | FY 2019-20* |
|---|--|-------------|-------------|-------------|
| Equity Share Capital | 758.45 | 758.45 | 758.45 | 758.45 |
| Net worth (Total Shareholders' Fund) | 13988.00 | 13591.77 | 13265.02 | 11094.96 |
| Revenue from Operations | 30989.85 | 57551.70 | 46577.03 | 32586.40 |
| Profit after Tax | 403.10 | 549.48 | 2163.45 | 208.61 |
| Earnings per share | | | | |
| - Basic (in ₹) | 5.31 | 7.25 | 28.52 | 2.75 |
| - Diluted (in ₹) | 5.31 | 7.25 | 28.52 | 2.75 |
| Net Asset Value per Equity Share** (in ₹) | 184.43 | 179.21 | 174.90 | 146.29 |
| Total borrowings | 18526.58 | 16151.76 | 15193.62 | 10920.70 |

| Particulars | September 30, 2022* | March 31, 2022 (Restated) | March 31, 2021 (Restated) | March 31, 2020 (Restated) |
|----------------------------------|---------------------|---------------------------|---------------------------|---------------------------|
| Revenue from Operations | 30989.85 | 57551.70 | 46577.03 | 32586.40 |
| EBITDA | 2045.63 | 3243.14 | 4524.7 | 2380.02 |
| Profit after tax | 403.10 | 549.48 | 2163.45 | 208.61 |
| Share Capital | 758.45 | 758.45 | 758.45 | 758.45 |
| Reserves and Surplus | 13238.24 | 12833.32 | 12506.57 | 10336.51 |
| Net Worth | 13988.00 | 13591.77 | 13265.02 | 11094.96 |
| Basic Earnings per share | 5.31 | 7.25 | 28.52 | 2.75 |
| Diluted Earnings per share | 5.31 | 7.25 | 28.52 | 2.75 |
| Net Asset Value per Equity Share | 184.43 | 179.21 | 174.90 | 146.29 |
| Return on Net Worth (%) | 0.03 | 0.04 | 0.16 | 0.02 |
| Total Borrowings | 18526.58 | 16151.76 | 15193.62 | 10920.70 |

Figures in Brackets indicates losses

*As per unaudited Financial Result submitted to Stock Exchanges.

For further details, please refer the section titled “**Financial Information**” on 101 of the Letter of Offer.

INTERNAL RISK FACTORS

The below mentioned risks are the top five risk factors as per the Letter of Offer:

1. Our business is dependent on our manufacturing facilities and we are subject to certain risks in our manufacturing process. Any slowdown or shutdown in our manufacturing operations or under- utilization of our manufacturing facilities could have an adverse effect on our business, results of operations and financial condition.
2. We source a significant portion of our raw material requirement from foreign suppliers and if these suppliers fail to deliver necessary raw material of appropriate quality in a timely manner our operations may be disrupted. We do not have long-term agreements with suppliers for our raw materials and an increase in the cost of, or a shortfall in the availability or quality of such raw materials could have an adverse effect on our business and results of operations.
3. The success of our business depends on the success of our customers’ products with end consumers. Any decline in demand for the end products in which our specialty chemicals are used would have a material adverse effect on our business, financial condition and results of operations.
4. We are subject to quality requirements and strict technical specifications and audits by our customers. Our failure to comply with the quality standards and technical specifications prescribed by such customers may lead to loss of business from such customers and could negatively impact our reputation, which would have an adverse impact on our business prospectus and results of operations.
5. Our operations are hazardous and could expose us to the risk of liabilities, loss of revenue and increased expenses.

For further details, see the section “**Risk Factors**” on page 22 of the Letter of Offer.

SUMMARY OF OUTSTANDING LITIGATION, CLAIMS AND REGULATORY ACTION

A summary of material outstanding legal proceedings involving our Company, its Directors, Promoters and its Subsidiary Company, as identified in accordance with the SEBI ICDR Regulations as on the date of the letter of Offer, including the aggregate approximate amount involved to the extent ascertainable, is provided below:

| Name of the Cases | Number of cases | Total amount involved (₹ in Lakhs) |
|---|-----------------|------------------------------------|
| Against our Company | | |
| Tax | Nil | Nil |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Statutory or Regulatory Proceedings | Nil | Nil |
| By our Company | | |
| Tax | 11 | 910.15 |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Against our directors | | |
| Tax | Nil | Nil |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Action taken by Statutory or Regulatory Proceedings | Nil | Nil |
| By our directors | | |
| Tax | Nil | Nil |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| By our Promoter | | |
| Tax | Nil | Nil |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Against our Promoter | | |
| Tax | Nil | Nil |
| Civil | Nil | Nil |
| Criminal | Nil | Nil |
| Statutory or Regulatory Proceedings | Nil | Nil |

For further details, please see the chapter titled “**Outstanding Litigation and Material Developments**” beginning on page 170 of the Letter of Offer.

TERMS OF THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Rights Issue Circulars and the ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see section titled “**Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**” beginning on page 194 of the Letter of Offer.

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in this Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein: the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB; or

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details see section titled “Grounds for Technical Rejection” beginning on page 190 of the Letter of Offer. Our Company, the Lead Manager and the Registrar shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see section titled “*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*” beginning on page 192 of the Letter of Offer.

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 Rights Equity Share(s) for every 17 Equity Share(s) held on the Record Date.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 2 Rights Equity Shares for every 17 Equity Shares held as on the Record Date. As per SEBI Rights Issue Circular, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 17 Equity Shares or is not in the multiple of 17 Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one Additional Rights Equity Share if they apply for Additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the “*On Market Renunciation*”); or (b) through an off-market transfer (the “*Off Market Renunciation*”), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE.

The Lead Managers and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

(a) On Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchange under ISIN INE09EO20013 subject to requisite approvals. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchange for trading of Rights Entitlements. No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from January 25, 2023 to January 27, 2023 (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN INE09EO20013 and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

(b) Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN INE09EO20013, the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

PLEASE NOTE THAT THE RIGHTS ENTITLEMENTS WHICH ARE NEITHER RENOUNCED NOR SUBSCRIBED BY THE INVESTORS ON OR BEFORE THE ISSUE CLOSING DATE SHALL LAPSE AND SHALL BE EXTINGUISHED AFTER THE ISSUE CLOSING DATE. NO EQUITY SHARES FOR SUCH LAPSED RIGHTS ENTITLEMENT WILL BE CREDITED, EVEN IF SUCH RIGHTS ENTITLEMENTS WERE PURCHASED FROM MARKET AND PURCHASER WILL LOSE THE AMOUNT PAID TO ACQUIRE THE RIGHTS ENTITLEMENT, PERSONS WHO ARE CREDITED THE RIGHTS ENTITLEMENT ARE REQUIRED TO MAKE AN APPLICATION TO APPLY FOR EQUITY SHARES OFFERED UNDER THE RIGHTS ISSUE FOR SUBSCRIBING TO THE EQUITY SHARES OFFERED UNDER ISSUE.

Additional Rights Equity Shares

Investors are eligible to apply for additional Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made in accordance with the applicable Regulations and in the manner as set out in "*Allotment*" beginning on page 203 of the Letter of Offer.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Intention and extent of participation by our Promoters and Promoter Group in the Issue:

Pursuant to the letter dated December 09, 2022, our Promoters and members of the Promoter Group, have undertaken that they will (a) subscribe, jointly and / or severally to the extent of their Rights Entitlements; (b) subscribe to the extent of any Rights Entitlement that may be renounced in their favour by any other Promoters or Member(s) of the Promoter Group of our Company and shall not renounce

right entitlement to any other person excluding the Promoters or Member(s) of the Promoter Group of our Company; (c) subscribe to, either individually or jointly and / or severally with any other Promoters or Member(s) of the Promoter Group, for additional Rights Equity Shares over and above their entitlement, including subscribing to the unsubscribed portion (if any) in this Issue.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our Company in terms of the SEBI Takeover Regulations. Further, as on the date of the letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable laws, pursuant to this Issue.

A copy of the offer document of the immediately preceding public or rights issue is available in the manner specified in the regulations and also as a material document for inspection.

ANY OTHER IMPORTANT INFORMATION AS PER THE COMPANY

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or the optional mechanism.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date i.e. January 17, 2023, see section titled "*Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 186 of the Letter of Offer.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent to email address of the Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.

The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email at least three days before the Issue Opening Date. In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email-to-email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdiction.

Our Company, Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Issue Materials and the Application Form. However, the Letter of offer Abridged Letter of Offer, Application Form and other applicable Issue materials will be made available on the websites of the Company, registrar to the issue, stock exchanges and the lead manager to the issue. Further, best efforts will be made to reach out the Eligible Equity Shareholders who have not registered their e-mail id with our Company including but not limited to sending SMS or audio-visual advertisement on television or digital advertisement, etc.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar www.linkintime.co.in by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (www.aarti-surfactants.com).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renounees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts or demat suspense escrow account, as applicable. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date i.e. January 17, 2023 and applying in this Issue, as applicable.

In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein, the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Please note that Applications without depository account details shall be treated as incomplete and shall be rejected, except in case of Eligible Equity Shareholders who hold Equity Shares in physical form.

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see section titled “**Grounds for Technical Rejection**” on page 190 of the Letter of Offer. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see “**Application on Plain Paper under ASBA process**” on page 186 of the Letter of Offer.

Procedure for application through ASBA Facility

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form as detailed above. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address or is a U.S. Person or in the United States.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Aarti Surfactants Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Folio Number (in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) / DP and Client ID;

4. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to this Issue
5. Number of Equity Shares held as on Record Date;
6. Allotment option – only dematerialised form;
7. Number of Equity Shares entitled to;
8. Number of Equity Shares applied for within the Rights Entitlements;
9. Number of additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
10. Total number of Equity Shares applied for;
11. Total amount paid at the issue price of ₹ 222/- per Equity Share;
12. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;
13. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
16. All such Eligible Equity Shareholders are deemed to have accepted the following:

“I/ We understand that neither the Rights Entitlements nor the Equity Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended (the “*U.S. Securities Act*”), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the “*United States*”), except pursuant to an exemption under the U.S. Securities Act. I/ we understand the Equity Shares referred to in this application are being offered and sold (i) in offshore transactions outside the United States in compliance with Regulation S under the U.S. Securities Act (“*Regulation S*”) to existing shareholders who are non-U.S. Persons and located in jurisdictions where such offer and sale of the Equity Shares is permitted under laws of such jurisdictions. I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and a non-U.S. Person and eligible to subscribe for the Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

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

I/We (i) am/are, and the person, if any, for whose account I/we am/are acquiring such Rights Entitlement, and/or the Equity Shares, is/are outside the United States and is/are acquiring the Rights Entitlement and/or the Equity Shares in an offshore transaction meeting the requirements of Regulation S or in a transaction exempt under the US Securities Act.

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

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Options available to the Eligible Equity Shareholders

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

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

- i. apply for its Equity Shares to the full extent of its Rights Entitlements; or
- ii. apply for its Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
- iii. apply for Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- iv. apply for its Equity Shares to the full extent of its Rights Entitlements and apply for additional Equity Shares; or
- v. renounce its Rights Entitlements in full.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34> .

For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, its directors, its employees, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Record date for Call and suspension of trading

Our Company would fix a Call Record Date giving notice, in advance of such period as may be prescribed under applicable law, to the Stock Exchanges for the purpose of determining the list of holders of the Rights Equity Shares to whom the notice for the Call would be sent. Once the Call Record Date has been fixed, trading in the Rights Equity Shares for which the call has been made may be suspended prior to the Call Record Date.

Procedure for Call for Rights Equity Shares

Our Company would convene a meeting of the Board of Directors to pass the required resolutions for making the Call and suitable intimation would be given by our Company to the Stock Exchanges. Further, advertisements for the same will be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is situated), all with wide circulation. The Call shall be deemed to have been made at the time when the resolution authorising such Call is passed at the meeting of our Board. The Call may be revoked or postponed at the discretion of the Board. Pursuant to the provisions of the Articles of Association, the Investors would be given at least 15 days' notice for the payment of the Call. The Board may, from time to time at its discretion, extend the time fixed for the payments of the Call. Our Company, at its sole discretion and as it may deem fit, may send one or more reminders for the Call, and if it does not receive the Call Monies as per the timelines stipulated unless extended by the Board, the defaulting holders of the Rights Equity Shares will be liable to pay interest as may be fixed by the Board unless waived or our Company may forfeit the Application Money and any Call Money received for previous Call made.

Payment of Call Money

In accordance with the SEBI circular SEBI/HO/CFD/DIL1/CIR/238/2020 dated December 8, 2020 regarding additional payment mechanism (i.e. ASBA, etc.) for payment of balance money in call for partly paid specified securities issued by the listed entity, the holders of Rights Equity Shares may make payment of the Call Monies using ASBA Mechanism through the Designated Branch of the

SCSB or through online/electronic through the website of the SCSBs (if made available by such SCSB) by authorizing the SCSB to block an amount, equivalent to the amount payable on Call, in the Investor's ASBA Account. The holders of Rights Equity Shares may also use the facility of linked online trading, demat and bank account (3-in-1 type account), if provided by their broker, for making payment of the Call Monies.

Separate ISIN for Rights Equity Shares

In addition to the present ISIN for the existing Equity Shares, our Company would obtain a separate ISIN for the Rights Equity Shares for each Call, until fully paid-up. The Rights Equity Shares offered under this Issue will be traded under a separate ISIN after each Call for the period as may be applicable under the rules and regulations prior to the record date for the final Call Notice. The ISIN representing the Rights Equity Shares will be terminated after the Call Record Date for the final Call. On payment of the final Call Money in respect of the Rights Equity Shares, such Rights Equity Shares would be fully paid-up and merged with the existing ISIN of our Equity Shares.

DECLARATION BY OUR COMPANY

We hereby declare that all relevant provisions of the Companies Act 2013 and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the SEBI, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the Letter of Offer is contrary to the provisions of the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contract (Regulation) Rules, 1957 and the Securities and Exchange Board of India Act, 1992, each as amended, or the rules, regulations or guidelines issued thereunder, as the case may be.

We further certify that all disclosures made in the letter of Offer are true and correct..

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|---|------|
| Mullesh Manilal Savla Chairman and Non-Executive Independent Director DIN: 07474847 | Sd/- |
| Nikhil Parimal Desai Managing Director DIN: 01660649 | Sd/- |
| Santosh Madhaorao Kakade Executive Director DIN: 08505234 | Sd/- |
| Shri Chandrakant Vallabhaji Gogri Non-Executive Non-Independent Director DIN: 00005048 | Sd/- |
| Dattatray Sidram Galpalli Non-Executive Non-Independent Director DIN: 01853463 | Sd/- |
| Misha Bharat Gala Non – Executive Independent Director DIN: 08523865 | Sd/- |

Place: Mumbai

Date: January 18, 2023